

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 March 2014 (Unaudited)	31 December 2013	31 March 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
Assets	<i>Note</i>				
Current assets					
Cash and cash equivalents		618,544	402,091	333,478	174,084
Short-term investments					
in trading securities		3,054	2,678	3,054	2,678
Trade and other receivables	5	3,298,523	3,216,210	1,459,811	1,366,000
Inventories		1,463,329	1,345,260	389,760	394,227
Insurance claim receivable	3	364,800	438,244	9,800	9,800
Other current assets		68,294	63,698	40,036	33,512
Total current assets		5,816,544	5,468,181	2,235,939	1,980,301
Non-current assets					
Investments in associates	6	109,524	98,795	3,962	3,962
Investments in subsidiaries	7	-	-	2,391,008	2,397,008
Property, plant and equipment	8	5,351,164	5,342,747	1,315,571	1,214,187
Goodwill		79,793	79,793	-	-
Intangible assets		222,310	196,406	107,537	95,712
Deferred tax assets		68,993	73,369	-	-
Other non-current assets		130,553	24,951	110,840	8,596
Total non-current assets		5,962,337	5,816,061	3,928,918	3,719,465
Total assets		11,778,881	11,284,242	6,164,857	5,699,766

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014 (Unaudited)	31 December 2013	31 March 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	9	2,934,296	3,219,740	714,333	898,960
Trade and other payables	10	2,240,837	2,172,797	1,163,736	1,064,805
Current portion of liabilities under					
hire-purchase and finance lease liabilities	9	8,217	5,720	4,967	3,484
Current portion of long-term loans	9	734,683	843,513	240,635	282,081
Income tax payable		42,773	29,633	2,086	-
Other current liabilities		1,990	4,027	547	830
Total current liabilities		5,962,796	6,275,430	2,126,304	2,250,160
<i>Non-current liabilities</i>					
Liabilities under hire-purchase and					
finance lease agreements	9	11,089	4,223	5,155	1,959
Long-term loans	9	798,951	778,632	513,573	366,198
Deferred tax liabilities		29,155	39,435	29,155	39,435
Employee benefit obligations		75,895	76,097	31,132	30,199
Total non-current liabilities		915,090	898,387	579,015	437,791
Total liabilities		6,877,886	7,173,817	2,705,319	2,687,951

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 March	31 December	31 March	31 December
Liabilities and equity	<i>Note</i>	2014	2013	2014	2013
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital	<i>11</i>				
Authorised share capital		<u>578,422</u>	<u>578,422</u>	<u>578,422</u>	<u>578,422</u>
Issued and paid-up share capital		549,038	480,495	549,038	480,495
Premium on ordinary shares		1,394,574	1,119,692	1,394,574	1,119,692
Share warrants	<i>12</i>	-	683	-	683
Retained earnings					
Appropriated					
Legal reserve		57,842	57,842	57,842	57,842
Unappropriated		2,918,760	2,479,333	1,458,084	1,353,103
Other components of equity		<u>-48,070</u>	<u>-47,350</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>4,872,144</u>	<u>4,090,695</u>	<u>3,459,538</u>	<u>3,011,815</u>
Non-controlling interests		<u>28,851</u>	<u>19,730</u>	<u>-</u>	<u>-</u>
Total equity		<u>4,900,995</u>	<u>4,110,425</u>	<u>3,459,538</u>	<u>3,011,815</u>
Total liabilities and equity		<u>11,778,881</u>	<u>11,284,242</u>	<u>6,164,857</u>	<u>5,699,766</u>

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three month period ended		Three month period ended	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Income	4				
Revenue from sale of goods and rendering of services		2,765,115	1,999,599	1,094,375	896,407
Other income	14	41,237	133,060	16,831	24,713
Total income		2,806,352	2,132,659	1,111,206	921,120
Expenses	4				
Cost of sale of goods and rendering of services		1,892,837	1,554,916	835,368	729,163
Selling expenses		152,630	126,335	55,499	52,262
Administrative expenses		290,328	141,079	112,540	54,971
Finance costs		32,223	38,574	11,012	12,914
Total expenses		2,368,018	1,860,904	1,014,419	849,310
Share of profit from investments in associates	6	11,449	3,626	-	-
Profit before income tax		449,783	275,381	96,787	71,810
Income tax benefit (expense)		-7,235	-2,109	8,194	-15,532
Profit for the period		442,548	273,272	104,981	56,278
Other comprehensive income					
Foreign currency translation differences for foreign operations	6	(720)	(1,743)	-	-
Other comprehensive income for the period, net of income tax		-720	-1,743	-	-
Total comprehensive income for the period		441,828	271,529	104,981	56,278

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Three month period ended		Three month period ended	
		31 March		31 March	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Profit attributable to:					
Owners of the Company		439,427	271,848	104,981	56,278
Non-controlling interests		3,121	1,424	-	-
Profit for the period		<u>442,548</u>	<u>273,272</u>	<u>104,981</u>	<u>56,278</u>
Total comprehensive income attributable to:					
Owners of the Company		438,707	270,105	104,981	56,278
Non-controlling interests		3,121	1,424	-	-
Total comprehensive income for the period		<u>441,828</u>	<u>271,529</u>	<u>104,981</u>	<u>56,278</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	15	<u>0.89</u>	<u>0.59</u>	<u>0.21</u>	<u>0.12</u>
Diluted earnings per share <i>(in Baht)</i>	15	<u>0.78</u>	<u>0.59</u>	<u>0.19</u>	<u>0.12</u>

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	442,548	273,272	104,981	56,278
<i>Adjustments for</i>				
Share of profit from investments in associates	(11,449)	(3,626)	-	-
Depreciation	133,120	124,199	30,427	35,223
Amortisation	4,492	2,786	2,256	1,510
Reversal of allowance for doubtful accounts - trade accounts receivable	-	(31)	-	-
Gain on sale of investments in subsidiary	(600)	-	(600)	-
Allowance (reversal) of net realisable value of inventories	11,376	(1,040)	(493)	(253)
Gain on disposals of equipment	(389)	(12)	(740)	(2)
Loss from write-off of equipment	10,679	9	1,021	9
Allowance for impairment on fixed assets	38,985	-	6,451	-
Provision for long-term employee benefits	1,907	1,935	933	927
Unrealised loss (gain) on exchange rate and hedging activities	346	(103,113)	(1,406)	(8,319)
Unrealised gain on revaluation of investments in trading securities	(376)	(250)	(376)	(250)
Interest expense	31,129	36,170	10,439	12,360
Income tax expense (benefit)	7,235	2,109	(8,194)	15,532
	<u>669,003</u>	<u>332,408</u>	<u>144,699</u>	<u>113,015</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(94,847)	(377,751)	(78,175)	(130,278)
Insurance claim receivable	73,444	23,747	-	-
Inventories	(129,445)	(178,518)	4,960	36,316
Other current assets	(2,999)	575	3,015	(12,400)
Other non-current assets	(1,867)	(1,453)	(2,187)	(963)
Trade and other payables	274,145	251,447	149,295	42,064
Other current liabilities	(2,038)	18	(284)	(1,637)
Employee benefit obligations	(2,109)	(401)	-	(401)
Cash generated from operating activities	<u>783,287</u>	<u>50,072</u>	<u>221,323</u>	<u>45,716</u>
Income tax paid	(1,903)	(1,800)	(343)	(500)
Net cash from operating activities	<u>781,384</u>	<u>48,272</u>	<u>220,980</u>	<u>45,216</u>

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three month period ended 31 March		Three month period ended 31 March	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Proceeds from disposals of equipment	1,369	38	280	-
Purchase of equipment	(373,648)	(179,140)	(322,686)	(33,757)
Purchase of computer software	(9,816)	(3,711)	(2,698)	(1,180)
Net cash used in investing activities	-382,095	-182,813	-325,104	-34,937
Cash flows from financing activities				
Interest paid	(34,395)	(33,657)	(11,425)	(11,277)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(420,119)	433,174	(183,740)	74,461
Repayment of liabilities under hire-purchase and finance lease agreements	(2,351)	(9,512)	(1,435)	(7,662)
Proceeds from long-term loans	200,130	-	200,130	-
Repayment of long-term loans	(275,443)	(301,564)	(89,354)	(85,487)
Proceeds from sale of investment in subsidiary without a change in control	6,600	-	6,600	-
Proceeds from capital increase and warrants exercised	342,742	18,193	342,742	18,193
Net cash from (used in) financing activities	-182,836	106,634	263,518	-11,772
Net increase (decrease) in cash and cash equivalents	216,453	-27,907	159,394	-1,493
Cash and cash equivalents at 1 January	402,091	397,178	174,084	94,975
Cash and cash equivalents at 31 March	618,544	369,271	333,478	93,482
Non-cash transactions				
1) Non-cash related transactions for investing activities				
Net increase in other receivable from disposals of machinery and equipment	50	-	2,584	-
Net increase (decrease) in trust receipts from purchases of machinery and equipment	124,514	17,063	-	(18)
Net increase (decrease) in other account payable from purchases of machinery and equipment	(197,115)	19,888	(45,730)	2,742
2) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and finance lease agreements	11,715	-	6,115	-

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements														
	Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share warrants	Retained earnings			Translation adjustments	Other components of equity	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Appropriated		Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date						
						Legal reserve	Treasury shares reserve	Unappropriated						
<i>(in thousand Baht)</i>														
Three month period ended 31 March 2013														
Balance at 1 January 2013		472,601	(105,582)	1,110,753	4,009	50,000	105,582	1,487,592	(16,894)	(38,558)	(55,452)	3,069,503	12,672	3,082,175
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the Company</i>														
Issue of ordinary shares	11, 12	2,395	-	18,094	(2,297)	-	-	-	-	-	-	18,192	-	18,192
Total contributions by and distributions to owners of the Company		2,395	-	18,094	(2,297)	-	-	-	-	-	-	18,192	-	18,192
Comprehensive income for the period														
Profit or loss		-	-	-	-	-	-	271,848	-	-	-	271,848	1,424	273,272
Other comprehensive income		-	-	-	-	-	-	-	-1,743	-	(1,743)	-1,743	-	-1,743
Total comprehensive income for the period		-	-	-	-	-	-	271,848	(1,743)	-	(1,743)	270,105	1,424	271,529
Balance at 31 March 2013		474,996	(105,582)	1,128,847	1,712	50,000	105,582	1,759,440	(18,637)	(38,558)	(57,195)	3,357,800	14,096	3,371,896

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements														
	Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share warrants	Retained earnings			Translation adjustments	Other components of equity Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Appropriated	Legal reserve	Treasury shares reserve						
<i>(in thousand Baht)</i>														
Three month period ended 31 March 2014														
Balance at 1 January 2014		480,495	-	1,119,692	683	57,842	-	2,479,333	(8,791)	(38,559)	(47,350)	4,090,695	19,730	4,110,425
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the Company</i>														
Issue of ordinary shares	11, 12	68,543	-	274,882	(34)	-	-	-	-	-	-	343,391	-	343,391
Cancellation of share warrants	12	-	-	-	(649)	-	-	-	-	-	-	(649)	-	(649)
Total contributions by and distributions to owners of the Company		68,543	-	274,882	(683)	-	-	-	-	-	-	342,742	-	342,742
<i>Changes in ownership interests in subsidiaries</i>														
Increase of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Total transactions with owners, record directly in equity		68,543	-	274,882	(683)	-	-	-	-	-	-	342,742	6,000	348,742
Comprehensive income for the period														
Profit or loss		-	-	-	-	-	-	439,427	-	-	-	439,427	3,121	442,548
Other comprehensive income		-	-	-	-	-	-	-	(720)	-	(720)	(720)	-	(720)
Total comprehensive income for the period		-	-	-	-	-	-	439,427	(720)	-	(720)	438,707	3,121	441,828
Balance at 31 March 2014		549,038	-	1,394,574	-	57,842	-	2,918,760	(9,511)	(38,559)	(48,070)	4,872,144	28,851	4,900,995

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements						Total equity	
		Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share warrants	Retained earnings			
						Legal reserve	Appropriated Treasury shares reserve		Unappropriated
<i>(in thousand Baht)</i>									
Three month period ended 31 March 2013									
Balance at 1 January 2013		472,601	(105,582)	1,110,753	4,009	50,000	105,582	1,077,474	2,714,837
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Issue of ordinary shares	11, 12	2,395	-	18,094	(2,297)	-	-	-	18,192
Total contributions by and distributions to owners of the Company		2,395	-	18,094	-2,297	-	-	-	18,192
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	-	56,278	56,278
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	56,278	56,278
Balance at 31 March 2013		474,996	(105,582)	1,128,847	1,712	50,000	105,582	1,133,752	2,789,307

The accompanying notes are an integral part of these financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements						Total equity	
		Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share warrants	Retained earnings			
						Legal reserve	Appropriated Treasury shares reserve		Unappropriated
<i>(in thousand Baht)</i>									
Three month period ended 31 March 2014									
Balance at 1 January 2014		480,495	-	1,119,692	683	57,842	-	1,353,103	3,011,815
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Issue of ordinary shares	11, 12	68,543	-	274,882	(34)	-	-	-	343,391
Cancellation of share warrants	12	-	-	-	(649)	-	-	-	-649
Total contributions by and distributions to owners of the Company		68,543	-	274,882	-683	-	-	-	342,742
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	-	104,981	104,981
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	104,981	104,981
Balance at 31 March 2014		549,038	-	1,394,574	-	57,842	-	1,458,084	3,459,538

The accompanying notes are an integral part of these financial statements.