

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		30 June	31 December	30 June	31 December
Assets	<i>Note</i>	2014	2013	2014	2013
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		325,294	402,091	111,568	174,084
Short-term investments					
in trading securities		3,501	2,678	3,501	2,678
Trade and other receivables	5	3,446,790	3,216,210	1,387,811	1,366,000
Inventories		1,552,529	1,345,260	429,651	394,227
Insurance claim receivable	3	355,000	438,244	-	9,800
Other current assets		79,657	63,698	36,350	33,512
Total current assets		5,762,771	5,468,181	1,968,881	1,980,301
Non-current assets					
Investments in associates	6	110,679	98,795	3,962	3,962
Investments in subsidiaries	7	-	-	2,403,897	2,397,008
Property, plant and equipment	8	5,742,888	5,342,747	1,783,499	1,214,187
Goodwill		79,793	79,793	-	-
Intangible assets		222,344	196,406	99,796	95,712
Deferred tax assets		67,908	73,369	-	-
Other non-current assets		195,837	24,951	155,293	8,596
Total non-current assets		6,419,449	5,816,061	4,446,447	3,719,465
Total assets		12,182,220	11,284,242	6,415,328	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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2014 (Unaudited)	31 December 2013	30 June 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	2,879,651	3,219,740	490,877	898,960
Trade and other payables	10	2,352,482	2,172,797	1,234,798	1,064,805
Current portion of liabilities under					
hire-purchase and finance lease agreements	9	25,114	5,720	22,300	3,484
Current portion of long-term loans	9	604,109	843,513	200,664	282,081
Income tax payable		22,093	29,633	3,643	-
Other current liabilities		3,032	4,027	1,569	830
Total current liabilities		5,886,481	6,275,430	1,953,851	2,250,160
<i>Non-current liabilities</i>					
Liabilities under hire-purchase and					
finance lease agreements	9	40,793	4,223	35,431	1,959
Long-term loans	9	942,866	778,632	748,226	366,198
Deferred tax liabilities		31,694	39,435	31,694	39,435
Employee benefit obligations		78,007	76,097	31,686	30,199
Total non-current liabilities		1,093,360	898,387	847,037	437,791
Total liabilities		6,979,841	7,173,817	2,800,888	2,687,951

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Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Equity</i>					
Share capital	11				
Authorised share capital		587,427	578,422	587,427	578,422
Issued and paid-up share capital		557,928	480,495	557,928	480,495
Premium on ordinary shares		1,476,308	1,119,692	1,476,308	1,119,692
Share warrants	12	14,031	683	14,031	683
Retained earnings					
Appropriated					
Legal reserve		58,743	57,842	58,743	57,842
Unappropriated		3,122,262	2,479,333	1,507,430	1,353,103
Other components of equity		(49,672)	(47,350)	-	-
Equity attributable to owners of the Company		5,179,600	4,090,695	3,614,440	3,011,815
Non-controlling interests		22,779	19,730	-	-
Total equity		5,202,379	4,110,425	3,614,440	3,011,815
Total liabilities and equity		12,182,220	11,284,242	6,415,328	5,699,766

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	
		30 June		30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Income	4				
Revenue from sale of goods and rendering of services		2,818,594	2,261,684	1,019,078	957,212
Dividend income from subsidiaries	7	-	-	217,037	62,511
Dividend income from associate	6	-	-	4,216	-
Other income	14	52,847	10,994	19,029	21,350
Total income		2,871,441	2,272,678	1,259,360	1,041,073
Expenses	4				
Cost of sale of goods and rendering of services		1,932,417	1,698,356	774,167	760,072
Selling expenses		154,247	135,209	54,080	57,031
Administrative expenses		262,598	206,856	91,751	63,036
Finance costs		34,216	43,644	10,376	13,459
Total expenses		2,383,478	2,084,065	930,374	893,598
Share of profit from investments in associates	6	9,005	4,267	-	-
Profit before income tax		496,968	192,880	328,986	147,475
Income tax benefit (expense)		-13,854	6,167	-4,230	-14,490
Profit for the period		483,114	199,047	324,756	132,985
Other comprehensive income					
Foreign currency translation differences for foreign operations	6	(3,634)	4,637	-	-
Other comprehensive income for the period, net of income tax		-3,634	4,637	-	-
Total comprehensive income for the period		479,480	203,684	324,756	132,985

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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	
		30 June		30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Profit attributable to:					
Owners of the Company		478,912	197,472	324,756	132,985
Non-controlling interests		4,202	1,575	-	-
Profit for the period		<u>483,114</u>	<u>199,047</u>	<u>324,756</u>	<u>132,985</u>
Total comprehensive income attributable to:					
Owners of the Company		475,278	202,109	324,756	132,985
Non-controlling interests		4,202	1,575	-	-
Total comprehensive income for the period		<u>479,480</u>	<u>203,684</u>	<u>324,756</u>	<u>132,985</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	15	<u>0.87</u>	<u>0.43</u>	<u>0.59</u>	<u>0.29</u>
Diluted earnings per share <i>(in Baht)</i>	15	<u>0.83</u>	<u>0.42</u>	<u>0.57</u>	<u>0.28</u>

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KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six month period ended		Six month period ended	
		30 June		30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Income	4				
Revenue from sale of goods and rendering of services		5,583,709	4,261,283	2,113,453	1,853,619
Dividend income from subsidiaries	7	-	-	217,037	62,511
Dividend income from associate	6	-	-	4,216	-
Other income	14	94,084	104,361	35,860	46,063
Total income		5,677,793	4,365,644	2,370,566	1,962,193
Expenses	4				
Cost of sale of goods and rendering of services		3,825,254	3,253,272	1,609,535	1,489,235
Selling expenses		306,877	261,544	109,579	109,293
Administrative expenses		552,926	308,242	204,291	118,007
Finance costs		66,439	82,218	21,388	26,373
Total expenses		4,751,496	3,905,276	1,944,793	1,742,908
Share of profit from investments in associates	6	20,454	7,893	-	-
Profit before income tax		946,751	468,261	425,773	219,285
Income tax benefit (expense)		-21,089	4,058	3,964	-30,022
Profit for the period		925,662	472,319	429,737	189,263
Other comprehensive income					
Foreign currency translation differences for foreign operations	6	(4,354)	2,894	-	-
Other comprehensive income for the period, net of income tax		-4,354	2,894	-	-
Total comprehensive income for the period		921,308	475,213	429,737	189,263

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	
		Six month period ended		Six month period ended	
		30 June		30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Profit attributable to:					
Owners of the Company		918,339	469,320	429,737	189,263
Non-controlling interests		7,323	2,999	-	-
Profit for the period		<u>925,662</u>	<u>472,319</u>	<u>429,737</u>	<u>189,263</u>
Total comprehensive income attributable to:					
Owners of the Company		913,985	472,214	429,737	189,263
Non-controlling interests		7,323	2,999	-	-
Total comprehensive income for the period		<u>921,308</u>	<u>475,213</u>	<u>429,737</u>	<u>189,263</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	15	<u>1.76</u>	<u>1.02</u>	<u>0.82</u>	<u>0.41</u>
Diluted earnings per share <i>(in Baht)</i>	15	<u>1.62</u>	<u>1.00</u>	<u>0.76</u>	<u>0.41</u>

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KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six month period ended		Six month period ended	
	30 June		30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	925,662	472,319	429,737	189,263
<i>Adjustments for</i>				
Share of profit from investments in associates	(20,454)	(7,893)	-	-
Depreciation	270,445	259,758	61,260	68,941
Amortisation	9,287	5,768	4,585	3,134
Reversal of allowance for doubtful accounts - trade accounts receivable	-	(31)	-	-
Gain on sale of investments in subsidiary	-	-	(600)	-
Allowance of net realisable value of inventories	19,707	14,325	3,269	1,618
Loss (Gain) on disposals of equipment	2,826	(30)	(1,068)	(7)
Loss from write-off of equipment	10,995	44	1,336	44
Allowance for impairment on fixed assets	65,384	-	14,451	-
Provision for long-term employee benefits	4,397	3,875	1,864	1,854
Unrealised loss (gain) on exchange rate and hedging activities	(13,810)	17,728	(3,089)	(2,798)
Share-based payment transactions	25,980	-	13,091	-
Unrealised loss (gain) on revaluation of investments in trading securities	(823)	42	(823)	42
Dividend received from subsidiaries	-	-	(217,037)	(62,511)
Dividend received from associate	-	-	(4,216)	-
Interest expense	61,779	78,319	20,035	25,277
Income tax expense (benefit)	21,089	(4,058)	(3,964)	30,022
	<u>1,382,464</u>	<u>840,166</u>	<u>318,831</u>	<u>254,879</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(219,163)	(703,662)	(13,285)	(177,939)
Insurance claim receivable	83,244	27,737	9,800	-
Inventories	(226,976)	(145,414)	(38,693)	35,677
Other current assets	64	(17,384)	7,083	(10,120)
Other non-current assets	(3,425)	(1,941)	(2,600)	(361)
Trade and other payables	268,030	194,012	159,539	91,228
Other current liabilities	(995)	(157)	738	(308)
Employee benefit obligations	(2,486)	(401)	(377)	(401)
Cash generated from operating activities	<u>1,280,757</u>	<u>192,956</u>	<u>441,036</u>	<u>192,655</u>
Income tax paid	<u>(29,797)</u>	<u>(3,304)</u>	<u>(725)</u>	<u>(1,057)</u>
Net cash from operating activities	<u>1,250,960</u>	<u>189,652</u>	<u>440,311</u>	<u>191,598</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	
	Six month period ended 30 June		Six month period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Cash paid for additional investments in other companies	-	(430)	-	(430)
Proceeds from disposals of equipment	72,047	57	85,607	1,823
Purchase of equipment	(1,122,694)	(502,167)	(880,361)	(78,431)
Purchase of computer software	(22,020)	(11,268)	(4,660)	(4,873)
Dividend received from associate	4,216	-	4,216	-
Dividend received from subsidiaries	-	-	217,037	62,554
Net cash used in investing activities	-1,068,451	-513,808	-578,161	-19,357
<i>Cash flows from financing activities</i>				
Interest paid	(63,398)	(73,889)	(20,172)	(24,426)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(319,469)	940,916	(408,576)	112,970
Proceeds from liabilities under hire-purchase and finance lease agreements	54,875	-	54,875	-
Repayment of liabilities under hire-purchase and finance lease agreements	(10,624)	(15,855)	(8,700)	(12,295)
Proceeds from long-term loans	484,320	13,970	484,320	13,970
Repayment of long-term loans	(549,675)	(508,320)	(179,920)	(152,740)
Proceeds from sale of investment in subsidiary without a change in control	6,600	-	6,600	-
Proceeds from capital increase and warrant exercised	421,416	18,192	421,416	18,192
Dividend paid	(283,351)	(162,003)	(274,509)	(161,342)
Net cash from (used in) financing activities	-259,306	213,011	75,334	-205,671
Net decrease in cash and cash equivalents	-76,797	-111,145	-62,516	-33,430
Cash and cash equivalents at 1 January	402,091	397,178	174,084	94,975
Cash and cash equivalents at 30 June	325,294	286,033	111,568	61,545
Non-cash transactions				
1) Non-cash related transactions for investing activities				
Net decrease (increase) in other receivables from disposals of machinery and equipment	-	-	(877)	3,071
Net decrease in trust receipts from purchases of machinery and equipment	(24,044)	(82,504)	-	(11,223)
Net increase (decrease) in other accounts payable from purchases of machinery and equipment	(99,835)	74,460	13,107	(20,233)
2) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and finance lease agreements	11,715	-	6,115	-

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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	Change in percentage of holding in subsidiaries	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Legal reserve	Treasury shares reserve	Unappropriated							
(in thousand Baht)															
Six month period ended 30 June 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>															
Reduction of ordinary shares	11	(14,000)	105,582	(91,582)	-	-	(105,582)	105,582	-	-	-	-	-	-	-
Issue of ordinary shares	11, 12	2,395	-	18,093	(2,953)	-	-	-	-	-	-	-	17,535	-	17,535
Dividend		-	-	-	-	-	-	(161,342)	-	-	-	-	(161,342)	(660)	(162,002)
Total contributions by and distributions to owners of the Company															
		(11,605)	105,582	(73,489)	(2,953)	-	(105,582)	(55,760)	-	-	-	-	(143,807)	(660)	(144,467)
Comprehensive income for the period															
Profit or loss		-	-	-	-	-	-	469,320	-	-	-	-	469,320	2,999	472,319
Other comprehensive income		-	-	-	-	-	-	-	2,894	-	-	2,894	2,894	-	2,894
Total comprehensive income for the period															
		-	-	-	-	-	-	469,320	2,894	-	-	2,894	472,214	2,999	475,213
Balance at 30 June 2013															
		460,996	-	1,037,264	1,056	50,000	-	1,901,152	(14,000)	(38,558)	-	(52,558)	3,397,910	15,011	3,412,921

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KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements														
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														
Change in percentage of holding in subsidiaries														
Total other components of equity														
Equity attributable to owners of the Company														
Non-controlling interests														
Total equity														
Retained earnings														
Appropriated														
Legal reserve														
Treasury shares reserve														
Unappropriated														
Translation adjustments														
(in thousand Baht)														
Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share warrants	Legal reserve	Treasury shares reserve	Unappropriated	Translation adjustments	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	Change in percentage of holding in subsidiaries	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Six month period ended 30 June 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
	Balance at 1 January 2014													
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the Company</i>														
	Issue of ordinary shares	11, 12	77,433	-	356,616	(11,983)	-	-	-	-	-	422,066	-	422,066
	Share-based payment transactions	12	-	-	-	25,980	-	-	-	-	-	25,980	-	25,980
	Cancellation of share warrants	12	-	-	-	(649)	-	-	-	-	-	(649)	-	(649)
	Dividend	16	-	-	-	-	(274,509)	-	-	-	-	(274,509)	(8,842)	(283,351)
	Total contributions by and distributions to owners of the Company		77,433	-	356,616	13,348	-	-	-	-	-	172,888	(8,842)	164,046
<i>Changes in ownership interests in subsidiaries</i>														
	Increase of non-controlling interests without a change in control		-	-	-	-	-	-	-	2,032	2,032	2,032	4,568	6,600
	Total transactions with owners, recorded directly in equity		77,433	-	356,616	13,348	-	-	-	2,032	2,032	174,920	(4,274)	170,646
Comprehensive income for the period														
	Profit or loss		-	-	-	-	918,339	-	-	-	-	918,339	7,323	925,662
	Other comprehensive income		-	-	-	-	-	(4,354)	-	-	(4,354)	(4,354)	-	(4,354)
	Total comprehensive income for the period		-	-	-	-	918,339	(4,354)	-	-	(4,354)	913,985	7,323	921,308
	Transfer to legal reserve		-	-	-	901	(901)	-	-	-	-	-	-	-
	Balance at 30 June 2014		557,928	-	1,476,308	14,031	58,743	-	3,122,262	(13,145)	(38,559)	2,032	(49,672)	5,179,600
														22,779
														5,202,379

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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>									
Six month period ended 30 June 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>									
Reduction of ordinary shares	11	(14,000)	105,582	(91,582)	-	-	(105,582)	105,582	-
Issue of ordinary shares	11, 12	2,395	-	18,093	(2,953)	-	-	-	17,535
Dividend		-	-	-	-	-	-	(161,342)	(161,342)
Total contributions by and distributions to owners of the Company		(11,605)	105,582	(73,489)	(2,953)	-	(105,582)	(55,760)	(143,807)
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	-	189,263	189,263
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	189,263	189,263
Balance at 30 June 2013		460,996	-	1,037,264	1,056	50,000	-	1,210,977	2,760,293

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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		Unappropriated	
						Legal reserve	Appropriated Treasury shares reserve		
<i>(in thousand Baht)</i>									
Six month period ended 30 June 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	77,433	-	356,616	(11,983)	-	-	-	422,066
Share-based payment transactions	12	-	-	-	25,980	-	-	-	25,980
Cancellation of share warrants	12	-	-	-	(649)	-	-	-	(649)
Dividend	16	-	-	-	-	-	-	(274,509)	-274,509
Total contributions by and distributions to owners of the Company		77,433	-	356,616	13,348	-	-	(274,509)	172,888
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	-	429,737	429,737
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	429,737	429,737
Transfer to legal reserve		-	-	-	-	901	-	(901)	-
Balance at 30 June 2014		557,928	-	1,476,308	14,031	58,743	-	1,507,430	3,614,440

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