

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		789,881	673,483	189,707	179,909
Short-term investments					
in trading securities		2,969	2,583	2,969	2,583
Trade and other receivables	4	4,809,803	4,539,768	2,309,075	2,126,639
Inventories		1,709,734	1,683,943	732,395	701,071
Other current assets		49,973	36,109	12,468	10,703
Total current assets		7,362,360	6,935,886	3,246,614	3,020,905
Non-current assets					
Investments in associates	5	109,405	105,178	1,862	1,862
Investments in subsidiaries	6	-	-	2,604,467	2,603,542
Property, plant and equipment	7	9,142,766	9,216,119	4,996,856	5,037,921
Goodwill		117,498	117,498	-	-
Intangible assets		347,988	354,181	125,598	127,360
Deferred tax assets		36,676	35,890	-	-
Other non-current assets		50,068	65,317	29,999	27,128
Total non-current assets		9,804,401	9,894,183	7,758,782	7,797,813
Total assets		17,166,761	16,830,069	11,005,396	10,818,718

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	
		31 March 2016 (Unaudited)	31 December 2015	31 March 2016 (Unaudited)	31 December 2015
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	8	1,627,835	2,139,362	886,094	1,028,269
Trade and other payables	9	2,520,790	2,215,299	1,606,511	1,466,599
Current portion of liabilities under hire-purchase and					
finance lease agreements	8	33,533	34,095	29,784	31,384
Current portion of long-term loans	8	613,161	584,901	561,301	541,204
Income tax payable		58,980	50,562	-	-
Other current liabilities		2,428	1,584	771	-
Total current liabilities		4,856,727	5,025,803	3,084,461	3,067,456
<i>Non-current liabilities</i>					
Liabilities under hire-purchase and					
finance lease agreements	8	13,182	15,814	7,185	13,278
Long-term loans	8	3,267,286	3,538,459	3,067,195	3,191,612
Deferred tax liabilities		62,096	62,689	20,549	20,499
Employee benefit obligations		89,898	87,097	34,179	33,159
Total non-current liabilities		3,432,462	3,704,059	3,129,108	3,258,548
Total liabilities		8,289,189	8,729,862	6,213,569	6,326,004

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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>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital	<i>10</i>				
Authorised share capital		587,427	587,427	587,427	587,427
Issued and paid-up share capital		576,260	574,763	576,260	574,763
Premium on ordinary shares		1,840,110	1,810,410	1,840,110	1,810,410
Share warrants	<i>11</i>	4,260	8,783	4,260	8,783
Retained earnings					
Appropriated					
Legal reserve		58,742	58,742	58,742	58,742
Unappropriated		6,398,521	5,647,479	2,312,455	2,040,016
Other components of equity		(32,912)	(26,847)	-	-
Equity attributable to owners of the Company		8,844,981	8,073,330	4,791,827	4,492,714
Non-controlling interests		32,591	26,877	-	-
Total equity		8,877,572	8,100,207	4,791,827	4,492,714
Total liabilities and equity		17,166,761	16,830,069	11,005,396	10,818,718

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 periods ended		Three-month periods ended	
		2016	2015	2016	2015
		31 March		31 March	
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		3,529,197	2,882,301	1,629,701	1,087,501
Other income	13	32,259	62,582	48,258	53,289
Total income		3,561,456	2,944,883	1,677,959	1,140,790
Expenses	3				
Cost of sale of goods and rendering of services		2,331,194	2,050,483	1,176,778	912,079
Selling expenses		136,754	122,894	71,480	57,558
Administrative expenses		286,254	221,429	119,952	77,657
Finance costs		46,475	21,481	37,259	6,810
Total expenses		2,800,677	2,416,287	1,405,469	1,054,104
Share of profit from investments in associates	5	5,891	2,759	-	-
Profit before income tax		766,670	531,355	272,490	86,686
Income tax (expense) benefit	14	(9,914)	(17,213)	(51)	4,396
Profit for the period		756,756	514,142	272,439	91,082
Other comprehensive income					
<i>Item that are or maybe reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(6,065)	(6,244)	-	-
Other comprehensive income (loss) for the period, net of income tax		(6,065)	(6,244)	-	-
Total comprehensive income for the period		750,691	507,898	272,439	91,082

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

KCE Electronics Public Company Limited and its subsidiaries**Statement of comprehensive income (Unaudited)**

	Consolidated financial statements		Separate financial statements		
	Three-month periods ended		Three-month periods ended		
	31 March		31 March		
<i>Note</i>	2016	2015	2016	2015	
	<i>(in thousand Baht)</i>				
Profit attributable to:					
Owners of the Company	751,042	511,141	272,439	91,082	
Non-controlling interests	5,714	3,001	-	-	
Profit for the period	756,756	514,142	272,439	91,082	
Total comprehensive income attributable to:					
Owners of the Company	744,977	504,897	272,439	91,082	
Non-controlling interests	5,714	3,001	-	-	
Total comprehensive income for the period	750,691	507,898	272,439	91,082	
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	15	1.31	0.90	0.47	0.16
Diluted earnings per share <i>(in Baht)</i>	15	1.28	0.88	0.46	0.16

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KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month periods ended		Three-month periods ended	
	31 March		31 March	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	756,756	514,142	272,439	91,082
<i>Adjustments for</i>				
Share of profit from investments in associates	(5,891)	(2,759)	-	-
Depreciation	202,639	136,183	89,181	31,872
Amortisation	8,504	7,395	3,052	2,367
Allowance for net realisable value of inventories (reversal)	2,861	(9,379)	3,681	4,133
Loss (Gain) on disposals of equipment	(1,929)	528	(1,913)	7
Loss from write-off of equipment	3	20	3	20
Allowance (reversal) for impairment on fixed assets	2,626	(1,367)	-	-
Provision for long-term employee benefits	2,845	3,514	1,064	1,010
Unrealised gain on exchange rate and hedging activities	(3,253)	(41,325)	(29,037)	(36,050)
Share-based payment transactions	1,613	5,687	687	1,995
Unrealised gain on revaluation of investments in trading securities	(386)	-	(386)	-
Interest expense	43,676	19,171	36,564	6,176
Income tax expense (benefit)	9,914	17,213	51	(4,396)
	<u>1,019,978</u>	<u>649,023</u>	<u>375,386</u>	<u>98,216</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(331,648)	(5,515)	(207,654)	(32,758)
Inventories	(28,652)	(91,928)	(35,005)	(131,513)
Other current assets	(12,565)	(25,954)	(1,408)	(22,414)
Other non-current assets	2,051	12,906	913	(940)
Trade and other payables	379,918	376,178	208,911	148,962
Other current liabilities	844	(280)	771	(277)
Employee benefit obligations	(44)	(2,097)	(44)	-
Cash generated from operating activities	<u>1,029,882</u>	<u>912,333</u>	<u>341,870</u>	<u>59,276</u>
Income tax paid	<u>(1,361)</u>	<u>(1,993)</u>	<u>(357)</u>	<u>(309)</u>
Net cash from operating activities	<u>1,028,521</u>	<u>910,340</u>	<u>341,513</u>	<u>58,967</u>

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KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month periods ended		Three-month periods ended	
	31 March		31 March	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Proceeds from disposals of equipment	2,282	1,049	2,224	752
Purchase of equipment	(187,582)	(511,235)	(112,942)	(376,681)
Purchase of computer software	(1,021)	(2,787)	-	(88)
Net cash used in investing activities	(186,321)	(512,973)	(110,718)	(376,017)
Cash flows from financing activities				
Interest paid	(46,956)	(18,245)	(38,382)	(5,336)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(497,714)	(511,262)	(142,046)	128,778
Repayment of liabilities under hire-purchase and finance lease agreements	(10,693)	(8,568)	(7,694)	(7,737)
Proceeds from long-term loans	47,624	231,249	47,624	136,790
Repayment of long-term loans	(238,723)	(141,497)	(105,560)	(62,749)
Proceeds from capital increase and warrants exercised	25,061	38,048	25,061	38,048
Net cash from (used in) financing activities	(721,401)	(410,275)	(220,997)	227,794
Net increase (decrease) in cash and cash equivalents				
	120,799	(12,908)	9,798	(89,256)
Cash and cash equivalents at 1 January	673,483	463,017	179,909	147,340
Effect of exchange rate changes on balances held in foreign currencies	(4,401)	(1,032)	-	-
Cash and cash equivalents at 31 March	789,881	449,077	189,707	58,084
Non-cash transactions				
1) Non-cash related transactions for investing activities				
Net (increase) decrease in other receivables from disposals of machinery and equipment	-	(34)	324	(34)
Net increase (decrease) in trust receipts from purchases of machinery and equipment	(15,245)	39,103	(3,391)	32,677
Net decrease in other accounts payables from purchases of machinery and equipment	(59,717)	(123,140)	(57,119)	(143,116)
2) Non-cash related transaction for financing activities				
Net increase in assets acquired under hire-purchase and finance lease agreements	7,499	451	-	-

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

		Consolidated financial statements											
		<u>Other components of equity</u>											
		<u>Retained earnings</u>					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
<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Share warrants	Appropriated Legal reserve	Unappropriated	Translation adjustments							
<i>(in thousand Baht)</i>													
Three-month period ended 31 March 2015													
Balance at 1 January 2015		565,628	1,686,459	17,299	58,742	4,090,530	(20,192)	(38,558)	2,031	(56,719)	6,361,939	25,999	6,387,938
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the Company</i>													
	Issue of ordinary shares	3,081	42,874	(7,907)	-	-	-	-	-	-	38,048	-	38,048
	Share-based payment transactions	-	-	5,687	-	-	-	-	-	-	5,687	-	5,687
Total contributions by and distributions to owners of the Company		3,081	42,874	(2,220)	-	-	-	-	-	-	43,735	-	43,735
Comprehensive income for the period													
	Profit or loss	-	-	-	-	511,141	-	-	-	-	511,141	3,001	514,142
	Other comprehensive income	-	-	-	-	(6,244)	-	-	-	(6,244)	(6,244)	-	(6,244)
Total comprehensive income for the period		-	-	-	-	511,141	(6,244)	-	-	(6,244)	504,897	3,001	507,898
Balance at 31 March 2015		568,709	1,729,333	15,079	58,742	4,601,671	(26,436)	(38,558)	2,031	(62,963)	6,910,571	29,000	6,939,571

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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	Premium on ordinary shares	Share warrants	Retained earnings		Other components of equity						
					Appropriated Legal 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
Three-month period ended 31 March 2016													
Balance at 1 January 2016		574,763	1,810,410	8,783	58,742	5,647,479	9,680	(38,558)	2,031	(26,847)	8,073,330	26,877	8,100,207
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the Company</i>													
Issue of ordinary shares	10, 11	1,497	29,700	(6,136)	-	-	-	-	-	-	25,061	-	25,061
Share-based payment transactions	11	-	-	1,613	-	-	-	-	-	-	1,613	-	1,613
Total contributions by and distributions to owners of the Company		1,497	29,700	(4,523)	-	-	-	-	-	-	26,674	-	26,674
Comprehensive income for the period													
Profit or loss		-	-	-	-	751,042	-	-	-	-	751,042	5,714	756,756
Other comprehensive income		-	-	-	-	-	(6,065)	-	-	(6,065)	(6,065)	-	(6,065)
Total comprehensive income for the period		-	-	-	-	751,042	(6,065)	-	-	(6,065)	744,977	5,714	750,691
Balance at 31 March 2016		576,260	1,840,110	4,260	58,742	6,398,521	3,615	(38,558)	2,031	(32,912)	8,844,981	32,591	8,877,572

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KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Total equity	
				Share warrants <i>(in thousand Baht)</i>	Retained earnings		
				Appropriated Legal reserve	Unappropriated		
Three-month period ended 31 March 2015							
Balance at 1 January 2015		565,628	1,686,459	17,299	58,742	1,778,993	4,107,121
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	10, 11	3,081	42,874	(7,907)	-	-	38,048
Shared-based payment transactions	11	-	-	5,687	-	-	5,687
Total contributions by and distributions to owners of the Company		3,081	42,874	(2,220)	-	-	43,735
Comprehensive income for the period							
Profit or loss		-	-	-	-	91,082	91,082
Total comprehensive income for the period		-	-	-	-	91,082	91,082
Balance at 31 March 2015		568,709	1,729,333	15,079	58,742	1,870,075	4,241,938

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KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Total equity	
				Share warrants <i>(in thousand Baht)</i>	Retained earnings		
				Appropriated Legal reserve	Unappropriated		
Three-month period ended 31 March 2016							
Balance at 1 January 2016		574,763	1,810,410	8,783	58,742	2,040,016	4,492,714
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	10, 11	1,497	29,700	(6,136)	-	-	25,061
Shared-based payment transactions	11	-	-	1,613	-	-	1,613
Total contributions by and distributions to owners of the Company		1,497	29,700	(4,523)	-	-	26,674
Comprehensive income for the period							
Profit or loss		-	-	-	-	272,439	272,439
Total comprehensive income for the period		-	-	-	-	272,439	272,439
Balance at 31 March 2016		576,260	1,840,110	4,260	58,742	2,312,455	4,791,827

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