

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>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		813,615	673,483	225,563	179,909
Short-term investments					
in trading securities		-	2,583	-	2,583
Trade and other receivables	4	4,895,049	4,539,768	2,609,312	2,126,639
Inventories		1,749,282	1,683,943	750,498	701,071
Other current assets		90,183	36,109	32,176	10,703
Total current assets		7,548,129	6,935,886	3,617,549	3,020,905
<i>Non-current assets</i>					
Investments in associates	5	103,354	105,178	1,862	1,862
Investments in subsidiaries	6	-	-	2,604,891	2,603,542
Property, plant and equipment	7	9,101,749	9,216,119	4,973,756	5,037,921
Goodwill		117,498	117,498	-	-
Intangible assets		341,486	354,181	122,552	127,360
Deferred tax assets		48,605	35,890	-	-
Other non-current assets		42,980	65,317	19,413	27,128
Total non-current assets		9,755,672	9,894,183	7,722,474	7,797,813
Total assets		17,303,801	16,830,069	11,340,023	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

		Consolidated financial		Separate financial	
		statements		statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	8	1,645,730	2,139,362	970,587	1,028,269
Trade and other payables	9	2,384,739	2,215,299	1,524,853	1,466,599
Current portion of liabilities under					
hire-purchase and					
finance lease agreements	8	28,708	34,095	25,092	31,384
Current portion of long-term loans	8	683,481	584,901	605,853	541,204
Income tax payable		45,857	50,562	-	-
Other current liabilities		3,989	1,584	1,936	-
Total current liabilities		4,792,504	5,025,803	3,128,321	3,067,456
Non-current liabilities					
Liabilities under					
hire-purchase and					
finance lease agreements	8	10,738	15,814	5,519	13,278
Long-term loans	8	3,172,661	3,538,459	3,005,065	3,191,612
Deferred tax liabilities		54,673	62,689	13,768	20,499
Employee benefit obligations	10	149,263	87,097	61,933	33,159
Total non-current liabilities		3,387,335	3,704,059	3,086,285	3,258,548
Total liabilities		8,179,839	8,729,862	6,214,606	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	
		30 June	31 December	30 June	31 December
Liabilities and equity	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital	11				
Authorised share capital		587,427	587,427	587,427	587,427
Issued and paid-up share capital		586,011	574,763	586,011	574,763
Premium on ordinary shares		1,890,911	1,810,410	1,890,911	1,810,410
Share warrants	12	1,940	8,783	1,940	8,783
Retained earnings					
Appropriated					
Legal reserve		58,742	58,742	58,742	58,742
Unappropriated		6,587,779	5,647,479	2,587,813	2,040,016
Other components of equity		(36,025)	(26,847)	-	-
Equity attributable to owners of the Company		9,089,358	8,073,330	5,125,417	4,492,714
Non-controlling interests		34,604	26,877	-	-
Total equity		9,123,962	8,100,207	5,125,417	4,492,714
Total liabilities and equity		17,303,801	16,830,069	11,340,023	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	
		30 June		30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		3,578,638	3,047,159	1,720,872	1,299,198
Dividend income from subsidiaries	6	-	-	560,774	368,832
Dividend income from associate	5	-	-	10,630	10,429
Other income	14	60,493	8,167	23,240	5,061
Total income		3,639,131	3,055,326	2,315,516	1,683,520
Expenses	3				
Cost of sale of goods and rendering of services		2,308,609	2,109,858	1,208,363	1,039,122
Selling expenses		150,138	136,599	76,300	65,517
Administrative expenses	14	304,238	246,338	122,394	143,714
Finance costs		45,712	35,017	36,863	21,024
Total expenses		2,808,697	2,527,812	1,443,920	1,269,377
Share of profit from investments in associates		7,065	6,004	-	-
Profit before income tax		837,499	533,518	871,596	414,143
Income tax benefit (expense)	15	(20,262)	(39,629)	1,426	2,106
Profit for the period		817,237	493,889	873,022	416,249
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses	10	(57,870)	-	(26,775)	-
Income tax on other comprehensive income		11,574	-	5,355	-
		(46,296)	-	(21,420)	-
<i>Item that are or maybe reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(3,113)	22,291	-	-
		(3,113)	22,291	-	-
Other comprehensive income (loss) for the period, net of income tax		(49,409)	22,291	(21,420)	-
Total comprehensive income for the period		767,828	516,180	851,602	416,249

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		
	30 June		30 June		
<i>Note</i>	2016	2015	2016	2015	
	<i>(in thousand Baht)</i>				
Profit attributable to:					
Owners of the Company	811,798	490,141	873,022	416,249	
Non-controlling interests	<u>5,439</u>	<u>3,748</u>	<u>-</u>	<u>-</u>	
Profit for the period	<u>817,237</u>	<u>493,889</u>	<u>873,022</u>	<u>416,249</u>	
Total comprehensive income attributable to:					
Owners of the Company	762,389	512,432	851,602	416,249	
Non-controlling interests	<u>5,439</u>	<u>3,748</u>	<u>-</u>	<u>-</u>	
Total comprehensive income for the period	<u>767,828</u>	<u>516,180</u>	<u>851,602</u>	<u>416,249</u>	
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	<i>16</i>	<u>1.41</u>	<u>0.86</u>	<u>1.51</u>	<u>0.73</u>
Diluted earnings per share <i>(in Baht)</i>	<i>16</i>	<u>1.38</u>	<u>0.84</u>	<u>1.49</u>	<u>0.71</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 periods ended		Six-month periods ended	
		30 June		30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		7,107,835	5,929,460	3,350,573	2,386,699
Dividend income from subsidiaries	6	-	-	560,774	368,832
Dividend income from associate	5	-	-	10,630	10,429
Other income	14	92,752	58,694	71,498	10,475
Total income		7,200,587	5,988,154	3,993,475	2,776,435
Expenses	3				
Cost of sale of goods and rendering of services		4,639,803	4,160,341	2,385,141	1,951,201
Selling expenses		286,892	259,493	147,780	123,075
Administrative expenses	14	590,492	455,712	242,346	173,496
Finance costs		92,187	56,498	74,122	27,834
Total expenses		5,609,374	4,932,044	2,849,389	2,275,606
Share of profit from investments in associates	5	12,956	8,763	-	-
Profit before income tax		1,604,169	1,064,873	1,144,086	500,829
Income tax benefit (expense)	15	(30,176)	(56,842)	1,375	6,502
Profit for the period		1,573,993	1,008,031	1,145,461	507,331
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses	10	(57,870)	-	(26,775)	-
Income tax on other comprehensive income		11,574	-	5,355	-
		(46,296)	-	(21,420)	-
<i>Item that are or maybe reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(9,178)	16,047	-	-
		(9,178)	16,047	-	-
Other comprehensive income (loss) for the period, net of income tax		(55,474)	16,047	(21,420)	-
Total comprehensive income for the period		1,518,519	1,024,078	1,124,041	507,331

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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	
		Six-month periods ended		Six-month periods ended	
		30 June		30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Profit attributable to:					
Owners of the Company		1,562,840	1,001,282	1,145,461	507,331
Non-controlling interests		11,153	6,749	-	-
Profit for the period		<u>1,573,993</u>	<u>1,008,031</u>	<u>1,145,461</u>	<u>507,331</u>
Total comprehensive income attributable to:					
Owners of the Company		1,507,366	1,017,329	1,124,041	507,331
Non-controlling interests		11,153	6,749	-	-
Total comprehensive income for the period		<u>1,518,519</u>	<u>1,024,078</u>	<u>1,124,041</u>	<u>507,331</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	16	<u>2.71</u>	<u>1.76</u>	<u>1.99</u>	<u>0.89</u>
Diluted earnings per share <i>(in Baht)</i>	16	<u>2.67</u>	<u>1.72</u>	<u>1.95</u>	<u>0.87</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 periods ended		Six-month periods ended	
	30 June		30 June	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	1,573,993	1,008,031	1,145,461	507,331
<i>Adjustments for</i>				
Share of profit from investments in associates	(12,956)	(8,763)	-	-
Depreciation	413,600	289,160	186,441	78,984
Amortisation	16,604	15,192	6,097	4,783
Allowance (reversal) of				
net realisable value of inventories	16,421	(22,737)	5,526	4,080
Loss (gain) on disposals of equipment	(7,736)	2,177	(2,175)	722
Loss from write-off of inventories	-	9,733	-	-
Loss from write-off of equipment	8	176	8	66
Allowance (reversal) for impairment on fixed assets	32,831	(4,508)	-	-
Provision for long-term employee benefits	5,690	5,765	2,128	2,019
Unrealised loss (gain) on exchange rate				
and hedging activities	(38,740)	15,133	(41,034)	40,773
Share-based payment transactions	2,347	9,919	998	3,673
Gain on sale of investments in trading securities	(429)	-	(429)	-
Unrealised loss on revaluation of investments				
in trading securities	-	686	-	686
Dividend received from subsidiaries	-	-	(560,774)	(368,832)
Dividend received from associate	-	-	(10,630)	(10,429)
Interest expense	86,848	51,848	72,577	26,490
Income tax expense (benefit)	30,176	56,842	(1,375)	(6,502)
	<u>2,118,657</u>	<u>1,428,654</u>	<u>802,819</u>	<u>283,844</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(376,297)	(609,571)	(493,565)	(386,514)
Inventories	(81,760)	(275,194)	(54,953)	(183,148)
Other current assets	(51,240)	(16,028)	(20,569)	(4,642)
Other non-current assets	(3,250)	24,264	779	3,335
Trade and other payables	216,885	336,063	171,525	206,122
Other current liabilities	2,406	460	1,936	512
Employee benefit obligations	(1,394)	(1,732)	(129)	-
Cash generated from operating activities	<u>1,824,007</u>	<u>886,916</u>	<u>407,843</u>	<u>(80,491)</u>
Income tax paid	<u>(37,349)</u>	<u>(27,980)</u>	<u>(904)</u>	<u>(638)</u>
Net cash from (used in) operating activities	<u>1,786,658</u>	<u>858,936</u>	<u>406,939</u>	<u>(81,129)</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 periods ended		Six-month periods ended	
	30 June		30 June	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Proceeds from disposals of equipment	5,042	8,067	4,963	7,748
Purchase of equipment	(353,675)	(937,248)	(231,072)	(676,888)
Purchase of computer software	(3,907)	(26,402)	(1,290)	(12,330)
Proceeds from sale of investment in trading securities	3,012	-	3,012	-
Dividend received from associate	10,630	10,429	10,630	10,429
Dividend received from subsidiaries	-	-	560,774	368,832
Net cash from (used in) investing activities	(338,898)	(945,154)	347,017	(302,209)
Cash flows from financing activities				
Interest paid	(90,468)	(87,994)	(74,712)	(62,843)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(482,810)	223,244	(51,201)	509,470
Repayment of liabilities under hire-purchase and finance lease agreements	(19,435)	(17,269)	(15,523)	(15,576)
Proceeds from long-term loans	137,939	437,294	137,939	342,835
Repayment of long-term loans	(350,714)	(243,043)	(211,120)	(122,808)
Proceeds from capital increase and warrants exercised	82,559	67,769	82,559	67,769
Dividend paid	(579,670)	(407,414)	(576,244)	(398,085)
Net cash from (used in) financing activities	(1,302,599)	(27,413)	(708,302)	320,762
Net increase (decrease) in cash and cash equivalents	145,161	(113,631)	45,654	(62,576)
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	(5,029)	2,956	-	-
Cash and cash equivalents at 30 June	813,615	352,342	225,563	84,764
Non-cash transactions				
1) Non-cash related transactions for investing activities				
Net (increase) decrease in other receivables from disposals of machinery and equipment	-	67	130	(478)
Net increase (decrease) in trust receipts from purchases of machinery and equipment	(9,231)	2,798	(5,329)	-
Net decrease in other accounts payables from purchases of machinery and equipment	(48,166)	(328,576)	(107,929)	(317,425)
2) Non-cash related transaction for financing activities				
Net increase in assets acquired under hire-purchase and finance lease agreements	8,970	451	1,471	-

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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		Translation adjustments	Other components of equity		Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Legal reserve					Unappropriated	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					
Six-month period ended 30 June 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	11, 12	4,533	78,985	(15,749)	-	-	-	-	-	-	67,769	-	67,769
Share-based payment transactions	12	-	-	9,919	-	-	-	-	-	-	9,919	-	9,919
Dividend	18	-	-	-	-	(398,085)	-	-	-	-	(398,085)	(9,329)	(407,414)
Total contributions by and distributions to owners of the Company		4,533	78,985	(5,830)	-	(398,085)	-	-	-	-	(320,397)	(9,329)	(329,726)
Comprehensive income for the period													
Profit or loss		-	-	-	-	1,001,282	-	-	-	-	1,001,282	6,749	1,008,031
Other comprehensive income		-	-	-	-	-	16,047	-	-	16,047	16,047	-	16,047
Total comprehensive income for the period		-	-	-	-	1,001,282	16,047	-	-	16,047	1,017,329	6,749	1,024,078
Balance at 30 June 2015		570,161	1,765,444	11,469	58,742	4,693,727	(4,145)	(38,558)	2,031	(40,672)	7,058,871	23,419	7,082,290

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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
Note	Issued and paid-up share capital	Premium on ordinary shares	Share warrants	Appropriated Legal reserve	Unappropriated	Translation adjustments	-	-	-	-	-	-	-
<i>(in thousand Baht)</i>													
Six-month period ended 30 June 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	11,248	80,501	(9,190)	-	-	-	-	-	-	82,559	-	82,559
	Share-based payment transactions	-	-	2,347	-	-	-	-	-	-	2,347	-	2,347
	Dividend	-	-	-	-	(576,244)	-	-	-	-	(576,244)	(3,426)	(579,670)
	Total contributions by and distributions to owners of the Company	11,248	80,501	(6,843)	-	(576,244)	-	-	-	-	(491,338)	(3,426)	(494,764)
Comprehensive income for the period													
	Profit or loss	-	-	-	-	1,562,840	-	-	-	-	1,562,840	11,153	1,573,993
	Other comprehensive income	-	-	-	-	(46,296)	(9,178)	-	-	(9,178)	(55,474)	-	(55,474)
	Total comprehensive income for the period	-	-	-	-	1,516,544	(9,178)	-	-	(9,178)	1,507,366	11,153	1,518,519
	Balance at 30 June 2016	586,011	1,890,911	1,940	58,742	6,587,779	502	(38,558)	2,031	(36,025)	9,089,358	34,604	9,123,962

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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		
Six-month period ended 30 June 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	11, 12	4,533	78,985	(15,749)	-	-	67,769
Share-based payment transactions	12	-	-	9,919	-	-	9,919
Dividend	18	-	-	-	-	(398,085)	(398,085)
Total contributions by and distributions to owners of the Company		4,533	78,985	(5,830)	-	(398,085)	(320,397)
Comprehensive income for the period							
Profit or loss		-	-	-	-	507,331	507,331
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	507,331	507,331
Balance at 30 June 2015		570,161	1,765,444	11,469	58,742	1,888,239	4,294,055

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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		
Six-month period ended 30 June 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	11, 12	11,248	80,501	(9,190)	-	-	82,559
Share-based payment transactions	12	-	-	2,347	-	-	2,347
Dividend	18	-	-	-	-	(576,244)	(576,244)
Total contributions by and distributions to owners of the Company		11,248	80,501	(6,843)	-	(576,244)	(491,338)
Comprehensive income for the period							
Profit or loss		-	-	-	-	1,145,461	1,145,461
Other comprehensive income		-	-	-	-	(21,420)	(21,420)
Total comprehensive income for the period		-	-	-	-	1,124,041	1,124,041
Balance at 30 June 2016		586,011	1,890,911	1,940	58,742	2,587,813	5,125,417

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