

# KCE Electronics Public Company Limited and its subsidiaries

## Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 March 2017 (Unaudited)	31 December 2016	31 March 2017 (Unaudited)	31 December 2016
<i>(in thousand Baht)</i>					
<b>Assets</b>					
	<i>Note</i>				
<b>Current assets</b>					
Cash and cash equivalents		988,287	891,812	376,368	270,916
Trade and other current receivables	4	4,024,628	4,079,693	2,526,432	2,484,260
Inventories	5	2,365,048	2,265,165	1,013,864	1,010,168
Other current assets		58,484	59,005	24,677	23,908
<b>Total current assets</b>		<b>7,436,447</b>	<b>7,295,675</b>	<b>3,941,341</b>	<b>3,789,252</b>
<b>Non-current assets</b>					
Investments in associates	6	125,309	122,536	1,862	1,862
Investments in subsidiaries	7	-	-	2,651,366	2,627,823
Investment properties	8	167,267	195,773	195,145	195,773
Property, plant and equipment	9	9,233,021	9,137,328	5,091,314	4,965,242
Goodwill		117,498	117,498	-	-
Intangible assets		323,068	328,897	115,883	118,867
Deferred tax assets		51,758	51,684	-	-
Other non-current assets		103,628	78,295	76,415	55,144
<b>Total non-current assets</b>		<b>10,121,549</b>	<b>10,032,011</b>	<b>8,131,985</b>	<b>7,964,711</b>
<b>Total assets</b>		<b>17,557,996</b>	<b>17,327,686</b>	<b>12,073,326</b>	<b>11,753,963</b>

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 statements		Separate financial statements	
		31 March 2017 (Unaudited)	31 December 2016	31 March 2017 (Unaudited)	31 December 2016
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<i>Current liabilities</i>					
Bank overdrafts and short-term borrowings from financial institutions	10	1,357,706	1,808,270	690,646	683,685
Trade and other current payables	11	2,843,580	2,520,144	2,013,998	1,790,134
Current portion of liabilities under hire-purchase and finance lease agreements	10	9,383	14,692	6,310	12,019
Current portion of long-term borrowings	10	496,193	550,441	357,390	343,304
Income tax payable		57,092	48,729	-	-
Other current liabilities		1,584	1,743	-	158
<b>Total current liabilities</b>		<b>4,765,538</b>	<b>4,944,019</b>	<b>3,068,344</b>	<b>2,829,300</b>
<i>Non-current liabilities</i>					
Liabilities under hire-purchase and finance lease agreements	10	7,794	7,730	2,402	2,451
Long-term borrowings	10	1,892,174	2,147,646	1,746,174	1,969,346
Deferred tax liabilities		47,196	48,853	8,222	9,236
Non-current provisions for employee benefit		151,427	151,934	63,488	64,061
<b>Total non-current liabilities</b>		<b>2,098,591</b>	<b>2,356,163</b>	<b>1,820,286</b>	<b>2,045,094</b>
<b>Total liabilities</b>		<b>6,864,129</b>	<b>7,300,182</b>	<b>4,888,630</b>	<b>4,874,394</b>

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 statements		Separate financial statements	
		31 March 2017 (Unaudited)	31 December 2016	31 March 2017 (Unaudited)	31 December 2016
<b>Liabilities and equity</b>	<i>Note</i>				
		<i>(in thousand Baht)</i>			
<b>Equity</b>					
Share capital	12				
Authorized share capital		587,427	587,427	587,427	587,427
Issued and paid-up share capital		586,397	586,105	586,397	586,105
Share premium on ordinary shares		1,906,510	1,894,710	1,906,510	1,894,710
Warrants		-	1,203	-	1,203
Retained earnings					
Appropriated					
Legal reserve		58,743	58,743	58,743	58,743
Unappropriated		8,139,893	7,477,691	4,633,046	4,338,808
Other components of equity		(39,136)	(28,226)	-	-
<b>Equity attributable to owners of the Company</b>		10,652,407	9,990,226	7,184,696	6,879,569
Non-controlling interests		41,460	37,278	-	-
<b>Total equity</b>		<b>10,693,867</b>	<b>10,027,504</b>	<b>7,184,696</b>	<b>6,879,569</b>
<b>Total liabilities and equity</b>		<b>17,557,996</b>	<b>17,327,686</b>	<b>12,073,326</b>	<b>11,753,963</b>

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	
		31 March		31 March	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>	3				
Revenues from sale of goods and rendering of services		3,536,419	3,529,197	1,885,510	1,629,701
Dividend income from subsidiaries	7	-	-	22,740	-
Other income	14	61,949	32,259	62,429	48,258
<b>Total revenues</b>		<b>3,598,368</b>	<b>3,561,456</b>	<b>1,970,679</b>	<b>1,677,959</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	3	2,452,498	2,331,194	1,439,904	1,176,778
Distribution costs	3	161,268	136,754	95,999	71,480
Administrative expenses	3	282,274	286,254	118,302	119,952
Finance costs		30,336	46,475	23,250	37,259
<b>Total expenses</b>		<b>2,926,376</b>	<b>2,800,677</b>	<b>1,677,455</b>	<b>1,405,469</b>
Share of profit of investments in associates	6	4,441	5,891	-	-
<b>Profit before income tax</b>		<b>676,433</b>	<b>766,670</b>	<b>293,224</b>	<b>272,490</b>
Tax (expense) income	15	(9,999)	(9,914)	1,014	(51)
<b>Profit for the period</b>		<b>666,434</b>	<b>756,756</b>	<b>294,238</b>	<b>272,439</b>
<b>Other comprehensive income</b>					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Exchange differences on translating financial statements		(10,910)	(6,065)	-	-
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>(10,910)</b>	<b>(6,065)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>655,524</b>	<b>750,691</b>	<b>294,238</b>	<b>272,439</b>

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	
		31 March		31 March	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Profit attributable to:</b>					
Owners of the Company		662,202	751,042	294,238	272,439
Non-controlling interests		4,232	5,714	-	-
<b>Profit for the period</b>		<b>666,434</b>	<b>756,756</b>	<b>294,238</b>	<b>272,439</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		651,292	744,977	294,238	272,439
Non-controlling interests		4,232	5,714	-	-
<b>Total comprehensive income for the period</b>		<b>655,524</b>	<b>750,691</b>	<b>294,238</b>	<b>272,439</b>
<b>Earnings per share</b>					
Basic earnings per share <i>(in Baht)</i>	16	1.13	1.31	0.50	0.47
Diluted earnings per share <i>(in Baht)</i>	16	1.13	1.28	0.50	0.46

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)**

	<b>Consolidated financial statements</b>												
	Note	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Translation financial statements	Other components of shareholders' 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					
<b>Three-month period ended 31 March 2016</b>													
<b>Balance at 1 January 2016</b>		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
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the Company</i>													
Issue of ordinary shares	12	1,497	29,700	(6,136)	-	-	-	-	-	-	25,061	-	25,061
Share-based payment transactions		-	-	1,613	-	-	-	-	-	-	1,613	-	1,613
<b>Total contributions by and distributions to owners of the Company</b>		<b>1,497</b>	<b>29,700</b>	<b>(4,523)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,674</b>	<b>-</b>	<b>26,674</b>
<b>Comprehensive income for the period</b>													
Profit or loss		-	-	-	-	751,042	-	-	-	-	751,042	5,714	756,756
Other comprehensive income		-	-	-	-	-	(6,065)	-	-	(6,065)	(6,065)	-	(6,065)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>751,042</b>	<b>(6,065)</b>	<b>-</b>	<b>-</b>	<b>(6,065)</b>	<b>744,977</b>	<b>5,714</b>	<b>750,691</b>
<b>Balance at 31 March 2016</b>		<b>576,260</b>	<b>1,840,110</b>	<b>4,260</b>	<b>58,742</b>	<b>6,398,521</b>	<b>3,615</b>	<b>(38,558)</b>	<b>2,031</b>	<b>(32,912)</b>	<b>8,844,981</b>	<b>32,591</b>	<b>8,877,572</b>

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	Consolidated financial statements											
		Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Translation financial statements	Other components of shareholders' equity	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	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					
<b>Three-month period ended 31 March 2017</b>													
<b>Balance at 1 January 2017</b>		<b>586,105</b>	<b>1,894,710</b>	<b>1,203</b>	<b>58,743</b>	<b>7,477,691</b>	<b>8,301</b>	<b>(38,558)</b>	<b>2,031</b>	<b>(28,226)</b>	<b>9,990,226</b>	<b>37,278</b>	<b>10,027,504</b>
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the Company</i>													
Issue of ordinary shares	12	292	11,800	(2,752)	-	-	-	-	-	-	9,340	-	9,340
Share-based payment transactions		-	-	1,549	-	-	-	-	-	-	1,549	-	1,549
Dividends		-	-	-	-	-	-	-	-	-	-	(1,260)	(1,260)
<b>Total contributions by and distributions to owners of the Company</b>		<b>292</b>	<b>11,800</b>	<b>(1,203)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,889</b>	<b>(1,260)</b>	<b>9,629</b>
<i>Changes in ownership interests in subsidiaries</i>													
Increase of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	1,210	1,210
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,210</b>	<b>1,210</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>292</b>	<b>11,800</b>	<b>(1,203)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,889</b>	<b>(50)</b>	<b>10,839</b>
<b>Comprehensive income for the period</b>													
Profit or loss		-	-	-	-	662,202	-	-	-	-	662,202	4,232	666,434
Other comprehensive income		-	-	-	-	-	(10,910)	-	-	(10,910)	(10,910)	-	(10,910)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662,202</b>	<b>(10,910)</b>	<b>-</b>	<b>-</b>	<b>(10,910)</b>	<b>651,292</b>	<b>4,232</b>	<b>655,524</b>
<b>Balance at 31 March 2017</b>		<b>586,397</b>	<b>1,906,510</b>	<b>-</b>	<b>58,743</b>	<b>8,139,893</b>	<b>(2,609)</b>	<b>(38,558)</b>	<b>2,031</b>	<b>(39,136)</b>	<b>10,652,407</b>	<b>41,460</b>	<b>10,693,867</b>

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)**

	<i>Note</i>	Issued and paid-up share capital	Share premium	Separate financial statements			Total equity
				Warrants <i>(in thousand Baht)</i>	Legal reserve	Retained earnings Unappropriated	
<b>Three-month period ended 31 March 2016</b>							
<b>Balance at 1 January 2016</b>		<b>574,763</b>	<b>1,810,410</b>	<b>8,783</b>	<b>58,742</b>	<b>2,040,016</b>	<b>4,492,714</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	12	1,497	29,700	(6,136)	-	-	25,061
Share-based payment transactions		-	-	1,613	-	-	1,613
<b>Total contributions by and distributions to owners of the Company</b>		<b>1,497</b>	<b>29,700</b>	<b>(4,523)</b>	<b>-</b>	<b>-</b>	<b>26,674</b>
<b>Comprehensive income for the period</b>							
Profit or loss		-	-	-	-	272,439	272,439
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272,439</b>	<b>272,439</b>
<b>Balance at 31 March 2016</b>		<b>576,260</b>	<b>1,840,110</b>	<b>4,260</b>	<b>58,742</b>	<b>2,312,455</b>	<b>4,791,827</b>

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)**

	<i>Note</i>	Issued and paid-up share capital	Share premium	Separate financial statements			Total equity
				Warrants <i>(in thousand Baht)</i>	Legal reserve	Retained earnings Unappropriated	
<b>Three-month period ended 31 March 2017</b>							
<b>Balance at 1 January 2017</b>		<b>586,105</b>	<b>1,894,710</b>	<b>1,203</b>	<b>58,743</b>	<b>4,338,808</b>	<b>6,879,569</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	12	292	11,800	(2,752)	-	-	9,340
Share-based payment transactions		-	-	1,549	-	-	1,549
<b>Total contributions by and distributions to owners of the Company</b>		<b>292</b>	<b>11,800</b>	<b>(1,203)</b>	<b>-</b>	<b>-</b>	<b>10,889</b>
<b>Comprehensive income for the period</b>							
Profit or loss		-	-	-	-	294,238	294,238
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294,238</b>	<b>294,238</b>
<b>Balance at 31 March 2017</b>		<b>586,397</b>	<b>1,906,510</b>	<b>-</b>	<b>58,743</b>	<b>4,633,046</b>	<b>7,184,696</b>

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		Separate financial	
	statements		statements	
	Three-month periods ended 31 March		Three-month periods ended 31 March	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	666,434	756,756	294,238	272,439
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Share of profit of investments in associates	(4,441)	(5,891)	-	-
Depreciation for property, plant and equipment and investment properties	217,406	202,639	102,579	89,181
Amortisation	8,004	8,504	3,031	3,052
Allowance for inventories devaluation	5,022	2,861	1,376	3,681
Loss (gain) on disposal of equipment	693	(1,929)	(14)	(1,913)
Loss from write-off of equipment	8	3	8	3
(Reversal of) impairment losses on assets	(2,442)	2,626	-	-
Provision for employee benefit	3,774	2,845	1,352	1,064
Unrealised gain on exchange rate and hedging activities	(8,928)	(3,253)	(37,292)	(29,037)
Share-based payment transactions	1,549	1,613	796	687
Gain on fair value adjustment of trading securities	-	(386)	-	(386)
Dividends income from subsidiaries	-	-	(22,740)	-
Interest expense	27,864	43,676	22,256	36,564
Tax expense (income)	9,999	9,914	(1,014)	51
	<u>924,942</u>	<u>1,019,978</u>	<u>364,576</u>	<u>375,386</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other current receivables	(39,718)	(331,648)	(106,942)	(207,654)
Inventories	(104,904)	(28,652)	(5,072)	(35,005)
Other current assets	2,300	(12,565)	88	(1,408)
Other non-current assets	10	2,051	(9,098)	913
Trade and other current payables	235,437	379,918	138,070	208,911
Other current liabilities	(158)	844	(158)	771
Non-current provisions for employee benefit	(4,280)	(44)	(1,925)	(44)
Net cash generated from operating	<u>1,013,629</u>	<u>1,029,882</u>	<u>379,539</u>	<u>341,870</u>
Taxes paid	(1,861)	(1,361)	(857)	(357)
<b>Net cash from operating activities</b>	<b><u>1,011,768</u></b>	<b><u>1,028,521</u></b>	<b><u>378,682</u></b>	<b><u>341,513</u></b>

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 periods ended		Three-month periods ended	
	31 March		31 March	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Cash flows from investing activities</b>				
Proceeds from disposals of machinery and equipment	351	2,282	190	2,224
Acquisition of property, plant and equipment	(170,617)	(187,582)	(91,823)	(112,942)
Acquisition of intangible assets	(2,130)	(1,021)	-	-
Increase of investment in subsidiary	-	-	(22,790)	-
Dividend received from subsidiary	-	-	22,740	-
<b>Net cash used in investing activities</b>	<b>(172,396)</b>	<b>(186,321)</b>	<b>(91,683)</b>	<b>(110,718)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(28,383)	(46,956)	(22,625)	(38,382)
Decrease in bank overdrafts and short-term borrowings from financial institutions	(471,806)	(497,714)	(23,396)	(142,046)
Repayment of liabilities under hire-purchase and finance lease agreements	(5,687)	(10,693)	(6,201)	(7,694)
Proceeds from long-term borrowings	57,627	47,624	57,627	47,624
Repayment of long-term borrowings	(294,696)	(238,723)	(196,292)	(105,560)
Net cash inflow on additional investment in subsidiaries without a change in control	1,210	-	-	-
Proceeds from capital increase and warrants exercised	9,340	25,061	9,340	25,061
Dividend paid to non-controlling interests	(1,260)	-	-	-
<b>Net cash used in financing activities</b>	<b>(733,655)</b>	<b>(721,401)</b>	<b>(181,547)</b>	<b>(220,997)</b>
Net increase in cash and cash equivalents before effect of exchange rates	105,717	120,799	105,452	9,798
Effect of exchange rate changes on balances held in foreign currencies	(9,242)	(4,401)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>96,475</b>	<b>116,398</b>	<b>105,452</b>	<b>9,798</b>
Cash and cash equivalents at beginning of period	891,812	673,483	270,916	179,909
<b>Cash and cash equivalents at ending of period</b>	<b>988,287</b>	<b>789,881</b>	<b>376,368</b>	<b>189,707</b>
<b>Non-cash transactions</b>				
1) Non-cash related transactions for investing activities				
Net decrease in other current receivables from disposals of machinery and equipment	95	-	225	324
Net increase (decrease) in trust receipts from purchases of machinery and equipment	30,447	(15,245)	30,664	(3,391)
Net increase (decrease) in other current payables from purchases of machinery and equipment	104,762	(59,717)	116,291	(57,119)
2) Non-cash related transaction for financing activities				
Net increase in assets acquired under hire-purchase and finance lease agreements	443	7,499	443	-

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