

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents		157,079,054	117,587,969	48,487,505	30,651,325
Short-term investments in trading securities		1,458,453	772,218	1,458,453	772,218
Trade accounts receivable	7				
Related parties	8	445,214,039	474,230,226	305,118,996	411,845,941
Unrelated parties		1,115,910,493	882,975,534	401,040,079	272,532,154
		1,561,124,532	1,357,205,760	706,159,075	684,378,095
Less: Allowance for doubtful accounts		(732,030)	(4,540,200)	(470,716)	(4,260,556)
Trade accounts receivable - net		1,560,392,502	1,352,665,560	705,688,359	680,117,539
Amounts due from and short-term loans to					
related parties - net	8	2,749	561,376	634,826	19,332,136
Inventories - net	9	1,160,263,296	1,375,077,962	371,675,112	431,241,263
Other current assets					
Dividend receivable from a related company	8	-	-	66,495,800	-
Input tax refundable		8,130,048	18,327,046	2,855,328	5,772,075
Other accounts receivable		11,580,244	20,465,741	2,967,603	13,314,687
Insurance claim receivable		-	113,431,762	-	-
Prepaid expenses		7,841,577	6,440,161	2,779,606	1,754,650
Others		35,179,429	36,691,933	11,316,108	5,391,116
Total other current assets		62,731,298	195,356,643	86,414,445	26,232,528
Total current assets		2,941,927,352	3,042,021,728	1,214,358,700	1,188,347,009
Non-current assets					
Investments in subsidiaries - net	10	-	-	1,192,068,175	920,568,175
Investments in associates	11	81,777,138	87,093,603	2,422,385	2,422,385
Deposit and advance for purchases of assets		101,182,683	31,303,826	99,595,934	31,303,826
Property, plant and equipment - net	12	5,618,885,245	6,186,890,650	1,320,044,143	1,539,742,796
Intangible assets - net	13	56,212,842	26,399,128	36,694,669	11,326,693
Deposits and others		7,787,840	10,932,539	6,519,190	10,473,889
Total non-current assets		5,865,845,748	6,342,619,746	2,657,344,496	2,515,837,764
Total assets		8,807,773,100	9,384,641,474	3,871,703,196	3,704,184,773

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

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	3,264,808,816	4,460,734,345	1,065,703,615	1,171,351,999
Trade accounts payable					
Related parties	8	23,846,660	49,093,414	300,866,542	410,642,276
Unrelated parties		850,043,781	817,291,935	276,428,929	202,593,477
Total trade accounts payable		873,890,441	866,385,349	577,295,471	613,235,753
Current portion of accounts payable under hire-purchase and financial lease agreements					
	15	100,619,917	71,459,774	95,951,170	68,205,930
Current portion of long-term loans	16	354,785,197	395,131,250	50,090,000	65,538,824
Amounts due to and advances from related parties	8	8,685,612	11,300,858	73,299,510	23,385,318
Other current liabilities					
Other payable from purchases of equipment		34,623,089	116,471,331	11,696,734	20,213,437
Other accounts payable		117,382,918	317,677,543	17,645,331	86,728,244
Accrued expenses		83,782,897	43,729,340	23,001,940	12,354,654
Accrued interest expenses		21,696,744	31,709,119	4,484,129	5,312,586
Others		12,053,134	7,916,211	1,006,714	1,484,766
Total other current liabilities		269,538,782	517,503,544	57,834,848	126,093,687
Total current liabilities		4,872,328,765	6,322,515,120	1,920,174,614	2,067,811,511
Non-current liabilities					
Accounts payable under hire-purchase and financial lease agreements, net of current portion					
	15	243,093,318	192,706,421	237,391,836	185,898,256
Long-term loans, net of current portion	16	1,213,787,309	559,178,876	112,643,683	35,869,000
Total non-current liabilities		1,456,880,627	751,885,297	350,035,519	221,767,256
Total liabilities		6,329,209,392	7,074,400,417	2,270,210,133	2,289,578,767

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

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Shareholders' equity					
Share capital	17				
Registered					
500,000,000 ordinary shares of Baht 1 each		<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid-up					
462,497,269 ordinary shares of Baht 1 each		462,497,269	462,497,269	462,497,269	462,497,269
Share premium		1,017,395,000	1,017,395,000	1,017,395,000	1,017,395,000
Share subscriptions received in advance	17.4	2,218,485	-	2,218,485	-
Translation adjustments		(11,472,623)	(7,993,103)	-	-
Retained earnings					
Appropriated - statutory reserve	18	50,000,000	50,000,000	50,000,000	50,000,000
- reserve for treasury shares	17.3	7,508,221	6,374,591	7,508,221	6,374,591
Unappropriated (deficit)		<u>724,729,897</u>	<u>554,310,634</u>	<u>69,382,309</u>	<u>(115,286,263)</u>
Total shareholders' equity of the company		<u>2,252,876,249</u>	<u>2,082,584,391</u>	<u>1,609,001,284</u>	<u>1,420,980,597</u>
Less: Treasury shares	17.2	<u>(7,508,221)</u>	<u>(6,374,591)</u>	<u>(7,508,221)</u>	<u>(6,374,591)</u>
Shareholders' equity of the company - net		<u>2,245,368,028</u>	<u>2,076,209,800</u>	<u>1,601,493,063</u>	<u>1,414,606,006</u>
Minority interest - equity attributable to minority shareholders of subsidiaries		<u>233,195,680</u>	<u>234,031,257</u>	-	-
Total shareholders' equity		<u>2,478,563,708</u>	<u>2,310,241,057</u>	<u>1,601,493,063</u>	<u>1,414,606,006</u>
Total liabilities and shareholders' equity		<u>8,807,773,100</u>	<u>9,384,641,474</u>	<u>3,871,703,196</u>	<u>3,704,184,773</u>

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

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Directors
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KCE Electronics Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income	8	5,752,442,936	7,667,337,486	2,468,684,228	3,032,294,514
Other income					
Gain on sale of land		41,295,845	-	41,295,845	-
Gain on exchange rate		53,380,930	-	9,947,630	-
Interest income	8	22,680,282	30,722,611	22,411,283	30,147,408
Dividend income	8	-	-	66,495,800	-
Gain from hedging activities		1,724,312	-	2,551,610	-
Income from insurance claim		-	28,620,929	-	9,636,266
Reversal of allowance for impairment of investments	10	-	-	21,500,000	-
Others		67,281,458	169,819,969	42,929,209	64,896,708
Total other income		186,362,827	229,163,509	207,131,377	104,680,382
Total revenues		5,938,805,763	7,896,500,995	2,675,815,605	3,136,974,896
Expenses					
Cost of sales	8	4,673,251,280	6,602,157,032	2,071,559,566	2,730,641,139
Selling expenses	8	406,783,876	678,272,573	156,029,471	258,785,562
Administrative expenses		351,422,224	350,359,585	159,889,941	118,500,513
Management benefit expenses		56,177,620	57,135,125	29,413,766	28,141,336
Loss on exchange rate		-	20,467,717	-	7,374,227
Loss from hedging activities		-	295,691,064	-	101,084,840
Total expenses		5,487,635,000	8,004,083,096	2,416,892,744	3,244,527,617
Income (loss) before share of income (loss) from investments					
in associates, finance cost and corporate income tax		451,170,763	(107,582,101)	258,922,861	(107,552,721)
Share of income (loss) from investments in associates	11	(1,836,945)	1,965,434	-	-
Income (loss) before finance cost and corporate income tax		449,333,818	(105,616,667)	258,922,861	(107,552,721)
Finance cost		(271,427,588)	(285,350,359)	(73,120,659)	(60,940,256)
Income (loss) before corporate income tax		177,906,230	(390,967,026)	185,802,202	(168,492,977)
Corporate income tax	20	(3,684,714)	(1,567,177)	-	-
Net income (loss) for the year		174,221,516	(392,534,203)	185,802,202	(168,492,977)
Net income (loss) attributable to:					
Equity holders of the parent		171,552,893	(399,169,562)	185,802,202	(168,492,977)
Minority interests of the subsidiaries		2,668,623	6,635,359	-	-
		174,221,516	(392,534,203)	185,802,202	(168,492,977)
Earnings per share					
22					
Basic earnings per share					
Net income (loss) attributable to equity holders of the parent		0.38	(0.86)	0.41	(0.36)
Weighted average number of ordinary shares (shares)	17.4	456,048,717	462,218,585	456,048,717	462,218,585
Diluted earnings per share					
Net income (loss) attributable to equity holders of the parent		0.38	(0.86)	0.41	(0.36)
Weighted average number of ordinary shares (shares)	17.4	456,048,717	462,218,585	456,048,717	462,218,585

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

KCE Electronics Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income (loss) before tax	177,906,230	(390,967,026)	185,802,202	(168,492,977)
Adjustments to reconcile net income (loss) before tax to net cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	1,836,945	(1,965,434)	-	-
Depreciation	583,315,536	542,228,252	167,721,103	159,168,770
Amortisation	5,684,408	4,828,273	1,513,296	1,149,328
Allowance for doubtful accounts - interest income from associated company	22,395,450	29,942,634	22,395,450	29,942,634
Allowance (reversal) for doubtful accounts - trade accounts receivable	(3,183,301)	2,119,715	(3,164,971)	1,903,160
Unrealised loss (gain) on exchange rate	(4,204,731)	17,516,827	1,989,914	(5,486,378)
Unrealised loss from hedging activities	-	220,908,485	-	84,539,536
Gain on sales of fixed assets	(41,374,173)	(3,932,430)	(42,107,184)	(1,680,506)
Loss from write-off of fixed assets	2,078,137	2,175,681	2,078,095	2,465,331
Interest income from associated company	(22,395,450)	(29,942,634)	(22,395,450)	(29,942,634)
Loss from write-off of inventories	25,287,847	10,332,245	11,052,959	-
Allowance (reversal) for diminution in value of inventories and inventory obsolescence	(42,812,500)	52,585,228	(9,553,434)	8,415,116
Reversal of allowance for impairment of investments	-	-	(21,500,000)	-
Unrealised loss (gain) from revaluation of short-term investments in trading securities	(686,235)	721,885	(686,235)	721,885
Dividend income from related company	-	-	(66,495,800)	-
Interest expenses	<u>245,800,296</u>	<u>281,468,727</u>	<u>65,475,889</u>	<u>59,542,349</u>
Income from operating activities before changes in operating assets and liabilities	949,648,459	738,020,428	292,125,834	142,245,614
Operating assets decrease (increase)				
Trade accounts receivable	(214,632,034)	656,664,685	(27,987,345)	37,643,113
Inventories	232,339,319	273,327,886	58,066,626	39,346,919
Other current assets	145,010,600	(76,705,352)	10,103,629	1,094,497
Other non-current assets	3,144,699	(6,723,454)	3,954,699	(26,939,297)
Operating liabilities increase (decrease)				
Trade accounts payable	8,812,857	(566,298,503)	(34,470,834)	(69,233,248)
Other current liabilities	<u>(161,397,422)</u>	<u>(126,130,325)</u>	<u>(36,200,636)</u>	<u>(28,410,539)</u>
Cash from operating activities	962,926,478	892,155,365	265,591,973	95,747,059
Cash paid for interest expenses	(257,102,496)	(279,665,000)	(66,897,854)	(58,855,771)
Cash paid for corporate income tax	<u>(9,665,925)</u>	<u>(9,610,783)</u>	<u>(1,971,012)</u>	<u>(922,171)</u>
Net cash from operating activities	696,158,057	602,879,582	196,723,107	35,969,117

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

KCE Electronics Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	(250,000,000)	(1,470,000)
Proceeds from sales of land and equipment	118,197,978	10,986,668	159,669,249	12,283,434
Cash paid for purchases of equipment	(244,413,970)	(786,649,571)	(102,785,274)	(317,876,121)
Cash paid for purchases of computer software	(33,483,339)	(20,994,228)	(20,842,438)	(11,027,336)
Increase in minority interest	-	1,529,989	-	-
Net cash used in investing activities	(159,699,331)	(795,127,142)	(213,958,463)	(318,090,023)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(1,190,394,697)	595,128,888	(105,285,805)	301,602,911
Cash received from liabilities under sales and leaseback agreements	160,544,126	202,732,425	160,544,126	202,732,425
Cash paid for liabilities under hire-purchase and financial lease agreement	(83,280,687)	(225,982,096)	(82,597,499)	(225,712,864)
Cash received from long-term loans	809,683,683	150,142,000	108,333,683	58,000,000
Cash paid for long-term loans	(194,604,921)	(574,152,012)	(47,007,824)	(63,796,691)
Cash received in advance from share subscriptions	2,218,485	-	2,218,485	-
Cash paid for dividend	-	(36,634,033)	-	(36,999,781)
Cash paid for purchase of treasury shares	(1,133,630)	(6,374,591)	(1,133,630)	(6,374,591)
Disposal of the Company's shares held by its subsidiaries	-	14,809,577	-	-
Net cash from (used in) financing activities	(496,967,641)	119,670,158	35,071,536	229,451,409
Net increase (decrease) in cash and cash equivalents	39,491,085	(72,577,402)	17,836,180	(52,669,497)
Cash and cash equivalents at beginning of the year	117,587,969	190,165,371	30,651,325	83,320,822
Cash and cash equivalents at end of the year	157,079,054	117,587,969	48,487,505	30,651,325
Supplemental cash flows information				
1) Non-cash related transactions for investing activities				
Net increase (decrease) in other receivable from sale of machinery and equipment	-	-	(17,843,370)	18,150,000
Net increase (decrease) in liabilities for purchases of machinery and equipment	(79,837,234)	27,236,761	21,042,325	(137,695,951)
2) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and financial lease agreements	2,283,601	181,788,333	1,292,193	171,726,324

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