

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	143,177,828	157,079,054	21,019,954	48,487,505
Short-term investments in trading securities		2,154,643	1,458,453	2,154,643	1,458,453
Trade accounts receivable	7				
Related parties	8	345,122,830	445,214,039	238,374,518	305,118,996
Unrelated parties		1,186,013,368	1,115,910,493	529,974,016	401,040,079
Total		1,531,136,198	1,561,124,532	768,348,534	706,159,075
Less: Allowance for doubtful accounts		(165,430)	(732,030)	(136,013)	(470,716)
Trade accounts receivable - net		1,530,970,768	1,560,392,502	768,212,521	705,688,359
Amounts due from and short-term loans to related parties - net	8	74,770	2,749	42,463	634,826
Inventories - net	9	1,332,162,790	1,160,263,296	386,243,691	371,675,112
Other current assets					
Dividend receivable from a related company	8	-	-	66,495,800	66,495,800
Value added tax refundable		9,300,206	8,130,048	3,164,367	2,855,328
Other accounts receivable		27,635,901	11,580,244	19,582,613	2,967,603
Insurance claim receivable	27	94,658,318	-	-	-
Prepaid expenses and others		49,058,727	43,021,006	15,797,460	14,095,714
Total other current assets		180,653,152	62,731,298	105,040,240	86,414,445
Total current assets		3,189,193,951	2,941,927,352	1,282,713,512	1,214,358,700
Non-current assets					
Investments in subsidiaries - net	10	-	-	1,957,485,580	1,192,068,175
Investments in associates	11	76,815,706	81,777,138	2,422,385	2,422,385
Deposits and advances for purchases of assets		98,891,916	101,182,683	98,857,430	99,595,934
Property, plant and equipment - net	12	5,308,169,916	5,618,885,245	1,261,885,635	1,320,044,143
Intangible assets - net	13	75,358,783	56,212,842	53,655,941	36,694,669
Deposits and others		4,481,357	7,787,840	3,464,772	6,519,190
Total non-current assets		5,563,717,678	5,865,845,748	3,377,771,743	2,657,344,496
Total assets		8,752,911,629	8,807,773,100	4,660,485,255	3,871,703,196

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	3,169,041,526	3,264,808,816	1,060,841,116	1,065,703,615
Trade accounts payable					
Related parties	8	14,080,887	23,846,660	330,672,299	300,866,542
Unrelated parties		880,873,037	850,043,781	254,308,118	276,428,929
Total trade accounts payable		894,953,924	873,890,441	584,980,417	577,295,471
Current portion of liabilities under hire-purchase					
and finance lease agreements	15	105,857,565	100,619,917	96,199,410	95,951,170
Current portion of long-term loans	16	397,407,338	354,785,197	47,230,000	50,090,000
Amounts due to and advances from related parties	8	12,139,735	8,685,612	5,399,377	73,299,510
Other current liabilities					
Other accounts payable from purchases of equipment		70,531,844	34,623,089	15,885,138	11,696,734
Other accounts payable		60,466,422	117,382,918	15,177,536	17,645,331
Accrued interest expenses		14,401,144	21,696,744	3,450,690	4,484,129
Accrued expenses and others		138,130,861	95,836,031	44,683,456	24,008,654
Total other current liabilities		283,530,271	269,538,782	79,196,820	57,834,848
Total current liabilities		4,862,930,359	4,872,328,765	1,873,847,140	1,920,174,614
Non-current liabilities					
Liabilities under hire-purchase and					
finance lease agreements - net of current portion	15	155,312,264	243,093,318	145,924,747	237,391,836
Long-term loans - net of current portion	16	1,089,887,683	1,213,787,309	86,263,683	112,643,683
Total non-current liabilities		1,245,199,947	1,456,880,627	232,188,430	350,035,519
Total liabilities		6,108,130,306	6,329,209,392	2,106,035,570	2,270,210,133

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
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					
471,067,269 ordinary shares of Baht 1 each (2009: 462,497,269 ordinary shares of Baht 1 each)		471,067,269	462,497,269	471,067,269	462,497,269
Share premium		1,100,972,639	1,017,395,000	1,100,972,639	1,017,395,000
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	10	(38,558,460)	-	-	-
Share subscriptions received in advance	17.4	-	2,218,485	-	2,218,485
Translation adjustments		(19,191,916)	(11,472,623)	-	-
Retained earnings					
Appropriated - statutory reserve	18	50,000,000	50,000,000	50,000,000	50,000,000
Appropriated - reserve for treasury shares	17.3	39,836,685	7,508,221	39,836,685	7,508,221
Unappropriated		<u>1,088,732,042</u>	<u>724,729,897</u>	<u>932,409,777</u>	<u>69,382,309</u>
Total shareholders' equity of the Company		<u>2,692,858,259</u>	<u>2,252,876,249</u>	<u>2,594,286,370</u>	<u>1,609,001,284</u>
Less: Treasury shares	17.2	<u>(39,836,685)</u>	<u>(7,508,221)</u>	<u>(39,836,685)</u>	<u>(7,508,221)</u>
Shareholders' equity of the Company - net		<u>2,653,021,574</u>	<u>2,245,368,028</u>	<u>2,554,449,685</u>	<u>1,601,493,063</u>
Minority interest - equity attributable to minority shareholders of subsidiaries		<u>(8,240,251)</u>	<u>233,195,680</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,644,781,323</u>	<u>2,478,563,708</u>	<u>2,554,449,685</u>	<u>1,601,493,063</u>
Total liabilities and shareholders' equity		<u>8,752,911,629</u>	<u>8,807,773,100</u>	<u>4,660,485,255</u>	<u>3,871,703,196</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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues	8				
Revenues from sales		7,236,422,469	5,750,543,336	3,152,806,643	2,458,233,925
Service income		8,751,801	1,899,600	20,814,308	10,450,303
Other income					
Income from scrap sales		136,264,489	27,902,178	48,690,038	11,498,100
Gain on sale of land		-	41,295,845	-	41,295,845
Gain on exchange rate		33,080,613	53,380,930	-	9,947,630
Interest income from related parties		-	22,395,450	66,335	22,395,450
Dividend income from a subsidiary company	10	-	-	187,319,898	66,495,800
Gain from hedging activities		14,911,307	1,724,312	5,688,969	2,551,610
Compensation from insurance claim	27	49,148,865	-	-	-
Reversal of allowance for impairment of investment	10	-	-	541,771,135	21,500,000
Rental income and others		27,316,184	39,664,112	23,539,126	31,446,942
Total other income		260,721,458	186,362,827	807,075,501	207,131,377
Total revenues		7,505,895,728	5,938,805,763	3,980,696,452	2,675,815,605
Expenses	8				
Cost of sales		5,814,897,186	4,673,251,280	2,510,313,922	2,071,559,566
Selling expenses		500,157,599	406,783,876	204,797,711	156,029,471
Administrative expenses		387,682,589	351,422,224	142,473,301	159,889,941
Management benefit expenses		61,341,092	56,177,620	31,157,283	29,413,766
Total expenses		6,764,078,466	5,487,635,000	2,888,742,217	2,416,892,744
Income before share of income (loss) from investments					
in associates, finance cost and corporate income tax		741,817,262	451,170,763	1,091,954,235	258,922,861
Share of income (loss) from investments in associates	11	2,757,861	(1,836,945)	-	-
Income before finance cost and corporate income tax		744,575,123	449,333,818	1,091,954,235	258,922,861
Finance cost		(199,528,961)	(271,427,588)	(58,313,823)	(73,120,659)
Income before corporate income tax		545,046,162	177,906,230	1,033,640,412	185,802,202
Corporate income tax	20	(1,609,104)	(3,684,714)	-	-
Net income for the year		543,437,058	174,221,516	1,033,640,412	185,802,202
Net income attributable to:					
Equity holders of the parent		534,615,089	171,552,893	1,033,640,412	185,802,202
Minority interests of the subsidiaries		8,821,969	2,668,623		
Total		543,437,058	174,221,516		

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

KCE Electronics Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Earnings per share	22				
Basic earnings per share					
Net income attributable to equity holders of the parent		1.15	0.38	2.23	0.41
weighted average number of ordinary shares (shares)	17.4	463,653,792	456,048,717	463,653,792	456,048,717
Diluted earnings per share					
Net income attributable to equity holders of the parent		1.15	0.38	2.23	0.41
weighted average number of ordinary shares (shares)	17.4	464,553,654	456,048,717	464,553,654	456,048,717

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Income before tax	545,046,162	177,906,230	1,033,640,412	185,802,202
Adjustments to reconcile income before tax to cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	(2,757,861)	1,836,945	-	-
Depreciation	589,522,496	583,315,536	170,777,266	167,721,103
Amortisation	8,336,547	5,684,408	3,200,236	1,513,296
Allowance for doubtful accounts - interest income from associated company	-	22,395,450	-	22,395,450
Reversal of allowance for doubtful accounts - trade accounts receivable	(566,600)	(3,183,301)	(334,703)	(3,164,971)
Allowance (reversal) for diminution in value of inventories and inventory obsolescence	5,759,778	(42,812,500)	3,050,163	(9,553,434)
Loss from write-off of inventories	3,098,925	25,287,847	-	11,052,959
Gain on sales of fixed assets	(4,937,134)	(41,374,173)	(145,365)	(42,107,184)
Loss from write-off of fixed assets	3,023,944	2,078,137	1,362,254	2,078,095
Allowance for impairment loss of fixed assets	8,127,906	-	-	-
Unrealised loss (gain) on exchange rate	(18,551,977)	(4,204,731)	(7,714,282)	1,989,914
Dividend income from a subsidiary company	-	-	(187,319,898)	(66,495,800)
Interest income from associated company	-	(22,395,450)	-	(22,395,450)
Reversal of allowance for impairment of investments	-	-	(541,771,135)	(21,500,000)
Unrealised gain on revaluation of investments in trading securities	(696,190)	(686,235)	(696,190)	(686,235)
Interest expenses	176,357,430	245,800,296	50,548,445	65,475,889
Income from operating activities before changes in operating assets and liabilities	1,311,763,426	949,648,459	524,597,203	292,125,834
Operating assets decrease (increase)				
Trade accounts receivable	20,448,794	(214,632,034)	(69,544,083)	(27,987,345)
Inventories	(180,758,197)	232,339,319	(17,618,742)	58,066,626
Other current assets	(99,451,421)	145,010,600	(4,890,716)	10,103,629
Other non-current assets	3,306,483	3,144,699	3,054,418	3,954,699
Operating liabilities increase (decrease)				
Trade accounts payable	22,501,918	8,812,857	9,275,790	(34,470,834)
Other current liabilities	(9,422,610)	(161,397,422)	(25,547,384)	(36,200,636)
Cash from operating activities	1,068,388,393	962,926,478	419,326,486	265,591,973
Cash paid for interest expenses	(183,654,306)	(257,102,496)	(51,581,884)	(66,897,854)
Cash paid for corporate income tax	(8,679,393)	(9,665,925)	(1,081,594)	(1,971,012)
Net cash from operating activities	876,054,694	696,158,057	366,663,008	196,723,107

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Cash paid for additional investments in subsidiaries	(284,496,270)	-	(223,646,270)	(250,000,000)
Proceeds from sales of land and equipment	7,205,226	118,197,978	1,521,379	159,669,249
Cash paid for purchases of equipment	(167,763,170)	(244,413,970)	(124,965,280)	(102,785,274)
Cash paid for purchases of computer software	(27,482,488)	(33,483,339)	(16,539,569)	(20,842,438)
Dividend income from a subsidiary company	-	-	187,319,898	-
Net cash used in investing activities	(472,536,702)	(159,699,331)	(176,309,842)	(213,958,463)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(144,281,468)	(1,190,394,697)	(10,480,642)	(105,285,805)
Cash received from liabilities under finance lease agreements	-	160,544,126	-	160,544,126
Cash paid for liabilities under hire-purchase and finance lease agreements	(108,306,673)	(83,280,687)	(97,416,285)	(82,597,499)
Cash received from long-term loans	370,000,000	809,683,683	-	108,333,683
Cash paid for long-term loans	(449,827,197)	(194,604,921)	(29,240,000)	(47,007,824)
Cash received from capital increase and warrants exercised	49,167,605	2,218,485	49,167,605	2,218,485
Cash received from sales of treasury shares	48,269,770	-	48,269,770	-
Cash paid for purchase of treasury shares	(39,836,685)	(1,133,630)	(39,836,685)	(1,133,630)
Dividend paid	(142,604,570)	-	(138,284,480)	-
Net cash from (used in) financing activities	(417,419,218)	(496,967,641)	(217,820,717)	35,071,536
Net increase (decrease) in cash and cash equivalents	(13,901,226)	39,491,085	(27,467,551)	17,836,180
Cash and cash equivalents at beginning of the year	157,079,054	117,587,969	48,487,505	30,651,325
Cash and cash equivalents at end of the year (Note 6)	143,177,828	157,079,054	21,019,954	48,487,505

Supplemental cash flows information

1) Non-cash related transactions for investing activities

Net decrease in other receivable from sales of

 machinery and equipment

	-	-	(306,630)	(17,843,370)
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Net increase (decrease) in liabilities for purchases of

 machinery and equipment

	95,737,553	(79,837,234)	(12,335,975)	21,042,325
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Dividend receivable from a subsidiary company

	-	-	66,495,800	66,495,800
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2) Non-cash related transaction for financing activities

Assets acquired under hire-purchase and

 finance lease agreements

	25,763,267	2,283,601	6,197,436	1,292,193
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The accompanying notes are an integral part of the financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

Consolidated financial statements													
Shareholders' equity of the Company													
	Share capital issued and	Share premium	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	Share subscriptions received in advance	Translation adjustments	Retained earnings				Treasury shares	Total equity attributable to the parent's shareholders of subsidiaries	Minority interest - equity attributable to minority shareholders	Total
						Statutory reserve	Appropriated	Reserve for	Unappropriated				
Note	paid-up						treasury shares						
Balance as at 31 December 2008	462,497,269	1,017,395,000	-	-	(7,993,103)	50,000,000	6,374,591	554,310,634	(6,374,591)	2,076,209,800	234,031,257	2,310,241,057	
Expenses recognised directly in equity:													
Translation adjustments	-	-	-	-	(3,479,520)	-	-	-	-	(3,479,520)	-	(3,479,520)	
Total expenses recognised directly in equity	-	-	-	-	(3,479,520)	-	-	-	-	(3,479,520)	-	(3,479,520)	
Net income for the year	-	-	-	-	-	-	-	171,552,893	-	171,552,893	2,668,623	174,221,516	
Total income (expenses) for the year	-	-	-	-	(3,479,520)	-	-	171,552,893	-	168,073,373	2,668,623	170,741,996	
Share subscriptions received in advance	17	-	-	2,218,485	-	-	-	-	-	2,218,485	-	2,218,485	
Treasury shares repurchased during the year	-	-	-	-	-	-	-	-	(1,133,630)	(1,133,630)	-	(1,133,630)	
Treasury shares reserve	-	-	-	-	-	-	1,133,630	(1,133,630)	-	-	-	-	
Minority interest	-	-	-	-	-	-	-	-	-	-	(3,504,200)	(3,504,200)	
Balance as at 31 December 2009	<u>462,497,269</u>	<u>1,017,395,000</u>	<u>-</u>	<u>2,218,485</u>	<u>(11,472,623)</u>	<u>50,000,000</u>	<u>7,508,221</u>	<u>724,729,897</u>	<u>(7,508,221)</u>	<u>2,245,368,028</u>	<u>233,195,680</u>	<u>2,478,563,708</u>	

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

Consolidated financial statements (continued)													
Shareholders' equity of the Company													
	Note	Share capital issued and paid-up	Share premium	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	Share subscriptions received in advance	Translation adjustments	Retained earnings			Treasury shares	Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiaries	Total
							Statutory reserve	Appropriated Reserve for treasury shares	Unappropriated				
Balance as at 31 December 2009		462,497,269	1,017,395,000	-	2,218,485	(11,472,623)	50,000,000	7,508,221	724,729,897	(7,508,221)	2,245,368,028	233,195,680	2,478,563,708
Expenses recognised directly in equity:													
Translation adjustments		-	-	-	-	(7,719,293)	-	-	-	-	(7,719,293)	-	(7,719,293)
Total expenses recognised directly in equity		-	-	-	-	(7,719,293)	-	-	-	-	(7,719,293)	-	(7,719,293)
Net income for the year		-	-	-	-	-	-	-	534,615,089	-	534,615,089	8,821,969	543,437,058
Total income (expenses) for the year		-	-	-	-	(7,719,293)	-	-	534,615,089	-	526,895,796	8,821,969	535,717,765
Ordinary shares issued during the year	17	8,570,000	42,816,090	-	(2,218,485)	-	-	-	-	-	49,167,605	-	49,167,605
Treasury shares repurchased during the year		-	-	-	-	-	-	-	(39,836,685)	(39,836,685)	-	-	(39,836,685)
Treasury shares sold during the year	17.2	-	40,761,549	-	-	-	-	(7,508,221)	7,508,221	7,508,221	48,269,770	-	48,269,770
Treasury shares reserve		-	-	-	-	-	-	39,836,685	(39,836,685)	-	-	-	-
Increase in investments in subsidiaries	10	-	-	(38,558,460)	-	-	-	-	-	-	(38,558,460)	(245,937,810)	(284,496,270)
Dividend paid	25	-	-	-	-	-	-	-	(138,284,480)	-	(138,284,480)	-	(138,284,480)
Dividend paid by a subsidiary company to minority interest		-	-	-	-	-	-	-	-	-	-	(4,320,090)	(4,320,090)
Balance as at 31 December 2010		<u>471,067,269</u>	<u>1,100,972,639</u>	<u>(38,558,460)</u>	<u>-</u>	<u>(19,191,916)</u>	<u>50,000,000</u>	<u>39,836,685</u>	<u>1,088,732,042</u>	<u>(39,836,685)</u>	<u>2,653,021,574</u>	<u>(8,240,251)</u>	<u>2,644,781,323</u>

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Separate financial statements							
		Share capital		Share subscriptions	Retained earnings				
		issued and		received	Appropriated			Treasury shares	Total
Note		paid-up	Share premium	in advance	Statutory reserve	treasury shares	Unappropriated	Treasury shares	Total
	Balance as at 31 December 2008	462,497,269	1,017,395,000	-	50,000,000	6,374,591	(115,286,263)	(6,374,591)	1,414,606,006
	Net income for the year	-	-	-	-	-	185,802,202	-	185,802,202
	Total income for the year	-	-	-	-	-	185,802,202	-	185,802,202
	Share subscriptions received in advance	17	-	2,218,485	-	-	-	-	2,218,485
	Treasury shares repurchased during the year	-	-	-	-	-	-	(1,133,630)	(1,133,630)
	Treasury shares reserve	-	-	-	-	1,133,630	(1,133,630)	-	-
	Balance as at 31 December 2009	<u>462,497,269</u>	<u>1,017,395,000</u>	<u>2,218,485</u>	<u>50,000,000</u>	<u>7,508,221</u>	<u>69,382,309</u>	<u>(7,508,221)</u>	<u>1,601,493,063</u>
	Balance as at 31 December 2009	462,497,269	1,017,395,000	2,218,485	50,000,000	7,508,221	69,382,309	(7,508,221)	1,601,493,063
	Net income for the year	-	-	-	-	-	1,033,640,412	-	1,033,640,412
	Total income for the year	-	-	-	-	-	1,033,640,412	-	1,033,640,412
	Ordinary shares issued during the year	17	8,570,000	42,816,090	(2,218,485)	-	-	-	49,167,605
	Treasury shares repurchased during the year	-	-	-	-	-	-	(39,836,685)	(39,836,685)
	Treasury shares sold during the year	17.2	-	40,761,549	-	-	(7,508,221)	7,508,221	48,269,770
	Treasury shares reserve	-	-	-	-	39,836,685	(39,836,685)	-	-
	Dividend paid	25	-	-	-	-	(138,284,480)	-	(138,284,480)
	Balance as at 31 December 2010	<u>471,067,269</u>	<u>1,100,972,639</u>	<u>-</u>	<u>50,000,000</u>	<u>39,836,685</u>	<u>932,409,777</u>	<u>(39,836,685)</u>	<u>2,554,449,685</u>

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