

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Assets					
Current assets					
Cash and cash equivalents		107,716	157,079	46,714	48,488
Short-term investments in trading securities		1,655	1,458	1,655	1,458
Trade accounts receivable	2				
Related parties	3	451,555	445,214	326,299	305,119
Unrelated parties		1,405,151	1,115,911	524,871	401,040
Total		1,856,706	1,561,125	851,170	706,159
Less: Allowance for doubtful accounts		(425)	(732)	(217)	(471)
Trade accounts receivable - net		1,856,281	1,560,393	850,953	705,688
Amounts due from and short-term loans to related parties - net	3	38	3	1,807	635
Inventories - net	4	1,257,300	1,160,263	349,064	371,675
Other current assets					
Dividend receivable from a related company	3	-	-	66,496	66,496
Input tax refundable		9,415	8,130	2,902	2,855
Other accounts receivable		25,246	11,580	12,918	2,968
Prepaid expenses		22,056	7,842	6,766	2,780
Others		40,673	35,179	9,613	11,316
Total other current assets		97,390	62,731	98,695	86,415
Total current assets		3,320,380	2,941,927	1,348,888	1,214,359
Non-current assets					
Investments in subsidiaries - net	5	-	-	1,192,068	1,192,068
Investments in associates	6	81,341	81,777	2,422	2,422
Deposits and advances for purchases of assets		103,095	101,183	100,040	99,596
Property, plant and equipment - net	7	5,533,703	5,618,885	1,301,219	1,320,044
Intangible assets - net	8	57,730	56,213	37,270	36,695
Deposits and others		7,254	7,788	5,774	6,519
Total non-current assets		5,783,123	5,865,846	2,638,793	2,657,344
Total assets		9,103,503	8,807,773	3,987,681	3,871,703

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

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	3,195,882	3,264,809	1,190,242	1,065,704
Trade accounts payable					
Related parties	3	30,493	23,847	292,914	300,866
Unrelated parties		1,034,462	850,043	251,810	276,429
Total trade accounts payable		1,064,955	873,890	544,724	577,295
Current portion of accounts payable under hire-purchase					
and financial lease agreements		105,497	100,620	98,890	95,951
Current portion of long-term loans	10	440,727	354,785	35,160	50,090
Amounts due to and advances from related parties	3	16,460	8,686	16,155	73,300
Other current liabilities					
Other payable from purchases of equipment		40,492	34,623	11,236	11,697
Other accounts payable		107,183	117,383	20,094	17,645
Accrued expenses		125,691	83,783	41,281	23,002
Accrued interest expenses		20,947	21,697	4,463	4,484
Others		5,537	12,053	1,142	1,007
Total other current liabilities		299,850	269,539	78,216	57,835
Total current liabilities		5,123,371	4,872,329	1,963,387	1,920,175
Non-current liabilities					
Accounts payable under hire-purchase and					
financial lease agreements - net of current portion		224,253	243,093	215,962	237,392
Long-term loans, net of current portion	10	1,084,544	1,213,787	120,373	112,643
Total non-current liabilities		1,308,797	1,456,880	336,335	350,035
Total liabilities		6,432,168	6,329,209	2,299,722	2,270,210

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

KCE Electronics Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Shareholders' equity					
Share capital	11				
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000	500,000	500,000	500,000
Issued and fully paid-up					
463,061,769 ordinary shares of Baht 1 each (31 December 2009: 462,497,269 ordinary shares of Baht 1 each)		463,062	462,497	463,062	462,497
Share premium		1,023,632	1,017,395	1,023,632	1,017,395
Share subscriptions received in advance		5,826	2,219	5,826	2,219
Translation adjustments		(13,821)	(11,473)	-	-
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
- reserve for treasury shares	11.3	6,456	7,508	6,456	7,508
Unappropriated		906,763	724,730	145,439	69,382
Total shareholders' equity of the Company		2,441,918	2,252,876	1,694,415	1,609,001
Less: Treasury shares	11.2	(6,456)	(7,508)	(6,456)	(7,508)
Shareholders' equity of the Company - net		2,435,462	2,245,368	1,687,959	1,601,493
Minority interest - equity attributable to minority shareholders of subsidiaries		235,873	233,196	-	-
Total shareholders' equity		2,671,335	2,478,564	1,687,959	1,601,493
Total liabilities and shareholders' equity		9,103,503	8,807,773	3,987,681	3,871,703
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries**Income statements****For the three-month periods ended 31 March 2010 and 2009**

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Revenues from sales	3	1,857,660	1,102,585	768,833	475,154
Service income		364	260	6,672	2,086
Other income					
Gain on exchange rate		-	17,264	-	6,060
Interest income	3	25	7,466	26	7,442
Gain from hedging activities		5,240	-	2,089	-
Others		32,443	11,277	13,921	5,553
Total other income		37,708	36,007	16,036	19,055
Total revenues		1,895,732	1,138,852	791,541	496,295
Expenses					
Cost of sales	3	1,404,576	994,866	602,691	451,032
Selling expenses	3	119,540	89,402	44,019	36,629
Administrative expenses		109,043	71,926	38,972	34,307
Management benefit expenses	3	14,793	11,163	7,123	5,244
Loss on exchange rate		9,139	-	6,735	-
Loss from hedging activities		-	19,921	-	6,566
Total expenses		1,657,091	1,187,278	699,540	533,778
Income (loss) before share of income (loss)					
from investments in associates, finance cost					
and corporate income tax					
		238,641	(48,426)	92,001	(37,483)
Share of income (loss) from investments in associates		1,912	(2,520)	-	-
Income (loss) before finance cost and					
corporate income tax					
		240,553	(50,946)	92,001	(37,483)
Finance cost		(56,104)	(68,811)	(16,996)	(17,264)
Income (loss) before corporate income tax		184,449	(119,757)	75,005	(54,747)
Corporate income tax	12	(791)	(145)	-	-
Net income (loss) for the period		183,658	(119,902)	75,005	(54,747)
Net income (loss) attributable to:					
Equity holders of the parent		180,981	(119,375)	75,005	(54,747)
Minority interests of the subsidiaries		2,677	(527)		
Total		183,658	(119,902)		

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries
Income statements

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Earnings per share					
Basic earnings per share					
Net income (loss) attributable to equity holders					
of the parent (Baht)		<u>0.40</u>	<u>(0.26)</u>	<u>0.16</u>	<u>(0.12)</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>456,750,430</u>	<u>456,497,369</u>	<u>456,750,430</u>	<u>456,497,369</u>
Diluted earnings per share					
Net income (loss) attributable to equity holders					
of the parent (Baht)		<u>0.40</u>	<u>(0.26)</u>	<u>0.16</u>	<u>(0.12)</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>457,371,300</u>	<u>456,497,369</u>	<u>457,371,300</u>	<u>456,497,369</u>

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Cash flows statements

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Net income (loss) before tax	184,449	(119,757)	75,005	(54,747)
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	(1,912)	2,520	-	-
Depreciation	146,572	140,542	42,171	42,333
Amortisation	1,900	1,177	696	154
Allowance for doubtful accounts - Interest income from associated company	-	7,383	-	7,383
Reversal for doubtful accounts - Trade accounts receivable	(307)	(1,457)	(254)	(1,377)
Allowance (reversal) for diminution in value of inventories and inventory obsolescence	451	(18,975)	279	879
Loss (gain) on sales of fixed assets	(25)	3	(19)	(682)
Loss from write-off of fixed assets	1,689	-	35	-
Unrealised loss (gain) from revaluation of short-term investments in trading securities	(197)	4	(197)	4
Unrealised loss (gain) on exchange rate	9,237	(1,291)	4,184	(11,116)
Unrealised gain from hedging activities	-	(108,888)	-	(37,144)
Interest income from associated company	-	(7,383)	-	(7,383)
Interest expenses	<u>50,578</u>	<u>67,853</u>	<u>14,277</u>	<u>17,037</u>
Income (loss) from operating activities before changes in operating assets and liabilities	392,435	(38,269)	136,177	(44,659)
Operating assets decrease (increase)				
Trade accounts receivable	(335,721)	208,997	(166,308)	42,712
Inventories	(97,488)	162,195	22,332	30,084
Other current assets	(22,061)	45,738	(6,492)	11,525
Other non-current assets	534	797	745	778
Operating liabilities increase (decrease)				
Trade accounts payable	201,693	(194,977)	(25,078)	(77,657)
Other current liabilities	<u>33,760</u>	<u>89,449</u>	<u>(9,122)</u>	<u>37,710</u>
Cash from (used in) operating activities	173,152	273,930	(47,746)	493
Cash paid for interest expenses	(51,325)	(74,047)	(14,299)	(18,810)
Cash paid for corporate income tax	<u>(3,488)</u>	<u>(1,849)</u>	<u>(186)</u>	<u>(212)</u>
Net cash from (used in) operating activities	<u>118,339</u>	<u>198,034</u>	<u>(62,231)</u>	<u>(18,529)</u>

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries
Cash flows statements (continued)

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from investing activities				
Proceeds from sales of equipment	168	2,431	-	-
Cash paid for purchases of equipment	(45,385)	(7,196)	(46,470)	(15,791)
Cash paid for purchases of computer software	(3,410)	(19,633)	(1,264)	(3,571)
Net cash used in investing activities	(48,627)	(24,398)	(47,734)	(19,362)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(60,735)	(114,377)	128,723	(20,815)
Cash paid for liabilities under hire-purchase and financial lease agreements	(27,806)	(20,802)	(23,748)	(16,651)
Cash received from long-term loans	-	151,284	-	102,834
Cash paid for long-term loans	(40,950)	(112,294)	(7,200)	(14,486)
Cash received in advance from share subscriptions	5,826	-	5,826	-
Cash received from sales of treasury shares	4,590	-	4,590	-
Net cash from (used in) financing activities	(119,075)	(96,189)	108,191	50,882
Net increase (decrease) in cash and cash equivalents	(49,363)	77,447	(1,774)	12,991
Cash and cash equivalents at beginning of the period	157,079	117,588	48,488	30,651
Cash and cash equivalents at end of the period	107,716	195,035	46,714	43,642

Supplemental cash flows information

1) Non-cash related transactions for investing activities

Net increase (decrease) in other receivable from sales of machinery and equipment	24	-	244	30,238
Net increase (decrease) in accounts payable for purchases of machinery and equipment	6,289	(24,495)	(27,484)	15,612

2) Non-cash related transaction for financing activities

Assets acquired under hire-purchase and financial lease agreements	13,843	3,538	5,257	-
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements										
	Shareholders' equity of the Company							Minority interest -			
				Retained earnings				Total equity equity attributable			
	Share capital		Share subscriptions		Appropriated		attributable to the to minority				
	issued and	received	Translation	Statutory	Reserve for			Company's	shareholders		
	paid-up	Share premium	in advance	adjustments	reserve	treasury shares	Unappropriated	treasury share	shareholders	of subsidiaries	
										Total	
Balance as at 31 December 2008	#####	1,017,395	-	(7,993)	50,000	6,374	554,311	(6,374)	2,076,210	234,031	2,310,241
Income recognised directly in equity:											
Translation adjustments	-	-	-	1,433	-	-	-	-	1,433	-	1,433
Total income recognised directly in equity	-	-	-	1,433	-	-	-	-	1,433	-	1,433
Net loss for the period	-	-	-	-	-	-	(119,375)	-	(119,375)	(527)	(119,902)
Balance as at 31 March 2009	#####	1,017,395	-	(6,560)	50,000	6,374	434,936	(6,374)	1,958,268	233,504	2,191,772

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements (continued)										
	Shareholders' equity of the Company							Minority interest -			
	Share capital issued and paid-up	Share subscriptions received	Translation adjustments	Retained earnings			Total equity attributable to the Company's shareholders of subsidiaries				
				Statutory reserve	Reserve for treasury shares	Unappropriated	Total equity attributable to minority shareholders				
Balance as at 31 December 2009	#####	1,017,395	2,219	(11,473)	50,000	7,508	724,730	(7,508)	2,245,368	233,196	2,478,564
Expenses recognised directly in equity:											
Translation adjustments	-	-	(2,348)	-	-	-	-	-	(2,348)	-	(2,348)
Total expenses recognised directly in equity	-	-	(2,348)	-	-	-	-	-	(2,348)	-	(2,348)
Net income for the period	-	-	-	-	-	-	180,981	-	180,981	2,677	183,658
Total income (expenses) for the period	-	-	(2,348)	-	-	-	180,981	-	178,633	2,677	181,310
Ordinary shares issued during the period	565	1,654	(2,219)	-	-	-	-	-	-	-	-
Share subscriptions received in advance	-	-	5,826	-	-	-	-	-	5,826	-	5,826
Treasury shares sold during the period	-	4,583	-	-	-	-	-	1,052	5,635	-	5,635
Treasury shares reserve	-	-	-	-	-	(1,052)	1,052	-	-	-	-
Balance as at 31 March 2010	#####	<u>1,023,632</u>	<u>5,826</u>	<u>(13,821)</u>	<u>50,000</u>	<u>6,456</u>	<u>906,763</u>	<u>(6,456)</u>	<u>2,435,462</u>	<u>235,873</u>	<u>2,671,335</u>

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements							
	Share capital		Share subscriptions	Retained earnings				
				Appropriated		Unappropriated	Treasury shares	Total
	issued and	Share premium	received	Statutory	Reserve for			
paid-up		in advance	reserve	treasury shares				
Balance as at 31 December 2008	#####	1,017,395	-	50,000	6,374	(115,286)	(6,374)	1,414,606
Net loss for the period	-	-	-	-	-	(54,747)	-	(54,747)
Balance as at 31 March 2009	#####	1,017,395	-	50,000	6,374	(170,033)	(6,374)	1,359,859
Balance as at 31 December 2009	#####	1,017,395	2,219	50,000	7,508	69,382	(7,508)	1,601,493
Net income for the period	-	-	-	-	-	75,005	-	75,005
Total income for the period	-	-	-	-	-	75,005	-	75,005
Ordinary shares issued during the period	565	1,654	(2,219)	-	-	-	-	-
Share subscriptions received in advance	-	-	5,826	-	-	-	-	5,826
Treasury shares sold during the period	-	4,583	-	-	-	-	1,052	5,635
Treasury shares reserve	-	-	-	-	(1,052)	1,052	-	-
Balance as at 31 March 2010	#####	1,023,632	5,826	50,000	6,456	145,439	(6,456)	1,687,959

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