

**KCE Electronics Public Company Limited and its subsidiaries**

**Statements of financial position**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		168,473	143,178	50,888	21,020
Short-term investments in trading securities		2,180	2,155	2,180	2,155
Trade accounts receivable	4				
Related parties	5	354,145	345,122	262,795	238,374
Unrelated parties		1,454,473	1,186,013	640,778	529,974
Total		1,808,618	1,531,135	903,573	768,348
Less: Allowance for doubtful accounts		(254)	(165)	(224)	(136)
Trade accounts receivable - net		1,808,364	1,530,970	903,349	768,212
Amounts due from related parties	5	-	75	1,421	42
Inventories - net	6	1,606,837	1,332,163	398,910	386,244
Other current assets					
Dividend receivable from related party	5	-	-	66,496	66,496
Value added tax refundable		8,782	9,300	2,785	3,164
Other accounts receivable		43,895	27,636	16,739	19,583
Insurance claim receivable	17	95,412	94,658	-	-
Prepaid expenses and others		60,530	49,059	19,405	15,797
Total other current assets		208,619	180,653	105,425	105,040
<b>Total current assets</b>		<b>3,794,473</b>	<b>3,189,194</b>	<b>1,462,173</b>	<b>1,282,713</b>
<b>Non-current assets</b>					
Investments in subsidiaries	7	-	-	1,957,486	1,957,486
Investments in associates	8	78,458	76,816	2,422	2,422
Deposits and advances for purchases of assets		99,024	98,892	98,989	98,857
Property, plant and equipment - net	9	5,206,380	5,308,170	1,238,361	1,261,886
Intangible assets - net	10	79,642	75,359	54,139	53,656
Deposits and others		3,991	4,481	2,735	3,465
<b>Total non-current assets</b>		<b>5,467,495</b>	<b>5,563,718</b>	<b>3,354,132</b>	<b>3,377,772</b>
<b>Total assets</b>		<b>9,261,968</b>	<b>8,752,912</b>	<b>4,816,305</b>	<b>4,660,485</b>

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

**KCE Electronics Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
	11	3,207,479	3,169,042	1,085,480	1,060,841
Trade accounts payable					
	5	23,676	14,081	349,322	330,672
		1,305,214	880,872	295,768	254,308
		1,328,890	894,953	645,090	584,980
Current portion of liabilities under hire-purchase and finance lease agreements					
		94,037	105,858	84,687	96,199
	12	387,052	397,407	46,980	47,230
	5	12,048	12,140	3,776	5,399
Other current liabilities					
		37,271	70,532	10,351	15,885
		73,675	60,466	21,428	15,178
		16,981	14,401	3,775	3,451
		197,126	138,131	71,662	44,683
		325,053	283,530	107,216	79,197
		<b>5,354,559</b>	<b>4,862,930</b>	<b>1,973,229</b>	<b>1,873,846</b>
<b>Non-current liabilities</b>					
Liabilities under hire-purchase and finance lease agreements - net of current portion					
		139,323	155,312	132,147	145,925
	12	995,350	1,089,888	73,394	86,264
		63,667	-	35,761	-
		<b>1,198,340</b>	<b>1,245,200</b>	<b>241,302</b>	<b>232,189</b>
		<b>6,552,899</b>	<b>6,108,130</b>	<b>2,214,531</b>	<b>2,106,035</b>

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

**KCE Electronics Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Shareholders' equity</b>					
Share capital	13				
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000	500,000	500,000	500,000
Issued and fully paid-up					
471,779,269 ordinary shares of Baht 1 each (31 December 2010: 471,067,269 ordinary shares of Baht 1 each)		471,779	471,067	471,779	471,067
Share premium		1,105,145	1,100,973	1,105,145	1,100,973
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
Appropriated - reserve for treasury shares	13.3	70,050	39,837	70,050	39,837
Unappropriated		1,147,905	1,088,732	974,850	932,410
Other components of shareholders' equity		(55,520)	(57,750)	-	-
<b>Equity attributable to owners of the Company</b>		<b>2,789,359</b>	<b>2,692,859</b>	<b>2,671,824</b>	<b>2,594,287</b>
Less: Treasury shares	13.2	(70,050)	(39,837)	(70,050)	(39,837)
<b>Equity attributable to owners of the Company - net</b>		<b>2,719,309</b>	<b>2,653,022</b>	<b>2,601,774</b>	<b>2,554,450</b>
Non-controlling interests of the subsidiaries		(10,240)	(8,240)	-	-
<b>Total shareholders' equity</b>		<b>2,709,069</b>	<b>2,644,782</b>	<b>2,601,774</b>	<b>2,554,450</b>
<b>Total liabilities and shareholders' equity</b>		<b>9,261,968</b>	<b>8,752,912</b>	<b>4,816,305</b>	<b>4,660,485</b>
		-	-	-	-

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

.....  
Directors  
.....

(Unaudited but reviewed)

**KCE Electronics Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month periods ended 31 March 2011 and 2010**

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit or loss:</b>					
<b>Revenues</b>					
	5				
Revenues from sales		1,853,996	1,857,660	865,406	768,833
Service income		5,687	364	3,670	6,672
Other income					
Income from scrap sales		57,883	26,894	18,601	8,906
Gain on exchange rate		32,344	-	8,340	-
Gain from hedging activities		1,501	5,240	525	2,089
Compensation from insurance claim and others	17	33,121	5,574	5,713	5,041
Total other income		124,849	37,708	33,179	16,036
<b>Total revenues</b>		<b>1,984,532</b>	<b>1,895,732</b>	<b>902,255</b>	<b>791,541</b>
<b>Expenses</b>					
	5				
Cost of sales		1,520,624	1,404,576	671,413	602,691
Selling expenses		142,961	119,540	62,715	44,019
Administrative expenses		123,254	123,836	47,588	46,095
Loss on exchange rate		-	9,139	-	6,735
<b>Total expenses</b>		<b>1,786,839</b>	<b>1,657,091</b>	<b>781,716</b>	<b>699,540</b>
<b>Profit before share of income (loss)</b>					
<b>from investments in associates, finance cost and corporate income tax</b>					
		197,693	238,641	120,539	92,001
Share of income (loss) from investments in associates		(588)	1,912	-	-
<b>Profit before finance cost and corporate income tax</b>		<b>197,105</b>	<b>240,553</b>	<b>120,539</b>	<b>92,001</b>
Finance cost		(44,711)	(56,104)	(11,224)	(16,996)
<b>Profit before corporate income tax</b>		<b>152,394</b>	<b>184,449</b>	<b>109,315</b>	<b>75,005</b>
Corporate income tax	14	(1,549)	(791)	-	-
<b>Profit for the period</b>		<b>150,845</b>	<b>183,658</b>	<b>109,315</b>	<b>75,005</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of financial statements in foreign currency					
		2,230	(2,348)	-	-
<b>Other comprehensive income for the period</b>		<b>2,230</b>	<b>(2,348)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>153,075</b>	<b>181,310</b>	<b>109,315</b>	<b>75,005</b>

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

(Unaudited but reviewed)

**KCE Electronics Public Company Limited and its subsidiaries**

**Statements of comprehensive income (continued)**

**For the three-month periods ended 31 March 2011 and 2010**

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit attributable to:</b>					
Equity holders of the Company		152,169	180,981	<u>109,315</u>	<u>75,005</u>
Non-controlling interests of the subsidiaries		<u>(1,324)</u>	<u>2,677</u>		
		<u>150,845</u>	<u>183,658</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		154,399	178,633	<u>109,315</u>	<u>75,005</u>
Non-controlling interests of the subsidiaries		<u>(1,324)</u>	<u>2,677</u>		
		<u>153,075</u>	<u>181,310</u>		
<b>Earnings per share</b>					
15					
Basic earnings per share					
Profit attributable to equity holders					
of the Company (Baht)		<u>0.328</u>	<u>0.396</u>	<u>0.235</u>	<u>0.164</u>
Weighted average number of ordinary shares					
(shares)	13.4	<u>464,392,018</u>	<u>456,750,430</u>	<u>464,392,018</u>	<u>456,750,430</u>
Diluted earnings per share					
Profit attributable to equity holders					
of the Company (Baht)		<u>0.327</u>	<u>0.396</u>	<u>0.235</u>	<u>0.164</u>
Weighted average number of ordinary shares					
(shares)	13.4	<u>465,016,769</u>	<u>457,371,300</u>	<u>465,016,769</u>	<u>457,371,300</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 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>				
Profit before tax	152,394	184,449	109,315	75,005
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	588	(1,912)	-	-
Depreciation	143,589	146,572	40,287	42,171
Amortisation	1,983	1,900	942	696
Allowance for doubtful accounts - trade accounts receivable (reversal)	89	(307)	88	(254)
Allowance for diminution in value of inventories and inventory obsolescence	6,092	451	1,744	279
Unrealised gain from revaluation of short-term investments in trading securities	(25)	(197)	(25)	(197)
Gain on sales of equipment	(1,352)	(25)	(8)	(19)
Loss from write-off of equipment	7,741	1,689	62	35
Reversal of allowance for impairment of fixed assets	(8,128)	-	-	-
Provision for long-term employee benefits	1,986	-	877	-
Unrealised loss (gain) on exchange rate	(15,447)	9,237	(2,145)	4,184
Unrealised gain from hedging activities	(468)	-	(468)	-
Interest expenses	38,546	50,578	9,755	14,277
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>327,588</b>	<b>392,435</b>	<b>160,424</b>	<b>136,177</b>
Operating assets decrease (increase)				
Trade accounts receivable	(277,818)	(335,721)	(132,623)	(166,308)
Inventories	(280,766)	(97,488)	(14,410)	22,332
Other current assets	(16,900)	(22,061)	(3,205)	(6,492)
Other non-current assets	490	534	730	745
Operating liabilities increase (decrease)				
Trade accounts payable	439,522	201,693	62,496	(25,078)
Other current liabilities	71,424	33,760	35,206	(9,122)
Reserve for long-term employee benefits	(1,778)	-	(1,778)	-
Cash from (used in) operating activities	261,762	173,152	106,840	(47,746)
Cash paid for interest expenses	(35,966)	(51,325)	(9,430)	(14,299)
Cash paid for corporate income tax	(1,164)	(3,488)	(293)	(186)
<b>Net cash from (used in) operating activities</b>	<b>224,632</b>	<b>118,339</b>	<b>97,117</b>	<b>(62,231)</b>

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 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Cash flows from investing activities</b>				
Proceeds from sales of equipment	1,694	168	-	-
Cash paid for purchases of equipment	(73,361)	(45,385)	(21,419)	(46,470)
Cash paid for purchases of computer software	(6,266)	(3,410)	(1,169)	(1,264)
<b>Net cash used in investing activities</b>	<b>(77,933)</b>	<b>(48,627)</b>	<b>(22,588)</b>	<b>(47,734)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	36,628	(60,735)	19,078	128,723
Cash paid for liabilities under hire-purchase and financial lease agreements	(27,810)	(27,806)	(25,290)	(23,748)
Cash paid for long-term loans	(104,893)	(40,950)	(13,120)	(7,200)
Cash received from warrants exercised	4,884	5,826	4,884	5,826
Cash received from sales of treasury shares	-	4,590	-	4,590
Cash paid for purchase of treasury shares	(30,213)	-	(30,213)	-
<b>Net cash from (used in) financing activities</b>	<b>(121,404)</b>	<b>(119,075)</b>	<b>(44,661)</b>	<b>108,191</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,295</b>	<b>(49,363)</b>	<b>29,868</b>	<b>(1,774)</b>
Cash and cash equivalents at beginning of the period	143,178	157,079	21,020	48,488
<b>Cash and cash equivalents at end of the period</b>	<b>168,473</b>	<b>107,716</b>	<b>50,888</b>	<b>46,714</b>
<b>Supplemental cash flows information</b>				
1) Non-cash related transactions for operating activities				
Net increase in long-term employee benefits	63,459	-	36,662	-
2) Non-cash related transactions for investing activities				
Net increase (decrease) in other accounts receivable from sales of machinery and equipment	-	24	69	244
Net increase (decrease) in liabilities for purchases of machinery and equipment	(30,570)	6,289	(3,781)	(27,484)
3) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and finance lease agreements	-	13,843	-	5,257

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 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements (continued)

---

Shareholders' equity of the Company

---

	Share capital		Retained earnings				Other components of shareholders' equity				Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	issued and paid-up	subscriptions received	Statutory reserve	Appropriated	Reserve for treasury shares	Unappropriated	Excess of investments arising from additional purchases of investments	Other subsidiaries at a price	comprehensive income	higher than the net book value of the subsidiaries at the shareholders' acquisition date			
<b>Balance as at 31 December 2010</b>	471,067	1,100,973	-	50,000	39,837	1,088,732	(19,192)	(38,558)	(57,750)	(39,837)	2,653,022	(8,240)	2,644,782
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	-	-	(62,783)	-	-	-	-	(62,783)	(676)	(63,459)
Ordinary shares issued during the period	712	4,172	-	-	-	-	-	-	-	-	4,884	-	4,884
Total comprehensive income for the period	-	-	-	-	-	152,169	2,230	-	2,230	-	154,399	(1,324)	153,075
Treasury shares repurchased during the period	-	-	-	-	-	-	-	-	-	(30,213)	(30,213)	-	(30,213)
Treasury shares reserve	-	-	-	-	30,213	(30,213)	-	-	-	-	-	-	-
<b>Balance as at 31 March 2011</b>	<u>471,779</u>	<u>1,105,145</u>	<u>-</u>	<u>50,000</u>	<u>70,050</u>	<u>1,147,905</u>	<u>(16,962)</u>	<u>(38,558)</u>	<u>(55,520)</u>	<u>(70,050)</u>	<u>2,719,309</u>	<u>(10,240)</u>	<u>2,709,069</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 2011 and 2010**

(Unit: Thousand Baht)

	Separate financial statements								
	Share capital issued and paid-up		Share subscriptions received in advance	Retained earnings				Treasury shares	Total
				Appropriated		Unappropriated	Reserve for treasury shares		
	Share premium	Statutory reserve	Reserve for						
<b>Balance as at 31 December 2009</b>	462,497	1,017,395	2,219	50,000	7,508	69,382	(7,508)	1,601,493	
Ordinary shares issued during the period	565	1,654	(2,219)	-	-	-	-	-	
Share subscriptions received in advance	-	-	5,826	-	-	-	-	5,826	
Total comprehensive income for the period	-	-	-	-	-	75,005	-	75,005	
Treasury shares sold during the period	-	4,583	-	-	-	-	1,052	5,635	
Treasury shares reserve	-	-	-	-	(1,052)	1,052	-	-	
<b>Balance as at 31 March 2010</b>	<b>463,062</b>	<b>1,023,632</b>	<b>5,826</b>	<b>50,000</b>	<b>6,456</b>	<b>145,439</b>	<b>(6,456)</b>	<b>1,687,959</b>	
<b>Balance as at 31 December 2010</b>	471,067	1,100,973	-	50,000	39,837	932,410	(39,837)	2,554,450	
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	-	-	(36,662)	-	(36,662)	
Ordinary shares issued during the period	712	4,172	-	-	-	-	-	4,884	
Total comprehensive income for the period	-	-	-	-	-	109,315	-	109,315	
Treasury shares repurchased during the period	-	-	-	-	-	-	(30,213)	(30,213)	
Treasury shares reserve	-	-	-	-	30,213	(30,213)	-	-	
<b>Balance as at 31 March 2011</b>	<b>471,779</b>	<b>1,105,145</b>	<b>-</b>	<b>50,000</b>	<b>70,050</b>	<b>974,850</b>	<b>(70,050)</b>	<b>2,601,774</b>	

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