

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
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		94,465	157,079	29,593	48,488
Short-term investments in trading securities		2,008	1,458	2,008	1,458
Trade accounts receivable	2				
Related parties	3	464,111	445,214	308,198	305,119
Unrelated parties		1,423,588	1,115,911	650,286	401,040
Total		1,887,699	1,561,125	958,484	706,159
Less: Allowance for doubtful accounts		(618)	(732)	(359)	(471)
Trade accounts receivable - net		1,887,081	1,560,393	958,125	705,688
Amounts due from and short-term loans to related parties - net	3	-	3	890	635
Inventories - net	4	1,441,564	1,160,263	387,382	371,675
Other current assets					
Dividend receivable from related parties	3	-	-	249,516	66,496
Input tax refundable		11,217	8,130	3,319	2,855
Other accounts receivable		12,855	11,580	5,780	2,968
Insurance claim receivable	15	77,943	-	-	-
Prepaid expenses		13,007	7,842	3,870	2,780
Others		46,602	35,179	7,917	11,316
Total other current assets		161,624	62,731	270,402	86,415
Total current assets		3,586,742	2,941,927	1,648,400	1,214,359
Non-current assets					
Investments in subsidiaries - net	5	-	-	1,415,715	1,192,068
Investments in associates	6	77,669	81,777	2,422	2,422
Deposits and advances for purchases of assets		96,787	101,183	96,753	99,596
Property, plant and equipment - net	7	5,345,748	5,618,885	1,280,051	1,320,044
Intangible assets - net	8	63,554	56,213	45,663	36,695
Deposits and others		4,927	7,788	4,282	6,519
Total non-current assets		5,588,685	5,865,846	2,844,886	2,657,344
Total assets		9,175,427	8,807,773	4,493,286	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)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	3,402,288	3,264,809	1,272,496	1,065,704
Trade accounts payable					
Related parties	3	26,233	23,847	408,608	300,866
Unrelated parties		1,182,028	850,043	325,498	276,429
Total trade accounts payable		1,208,261	873,890	734,106	577,295
Current portion of accounts payable under hire-purchase					
and financial lease agreements		109,678	100,620	100,595	95,951
Current portion of long-term loans	10	383,221	354,785	42,480	50,090
Amounts due to and advances from related parties	3	13,719	8,686	36,302	73,300
Other current liabilities					
Other payable from purchases of equipment		51,290	34,623	5,390	11,697
Other accounts payable		107,009	117,383	30,236	17,645
Accrued expenses		127,727	83,783	48,868	23,002
Accrued interest expenses		15,853	21,697	3,362	4,484
Others		11,062	12,053	7,820	1,007
Total other current liabilities		312,941	269,539	95,676	57,835
Total current liabilities		5,430,108	4,872,329	2,281,655	1,920,175
Non-current liabilities					
Accounts payable under hire-purchase and					
financial lease agreements - net of current portion		175,421	243,093	165,856	237,392
Long-term loans - net of current portion	10	952,326	1,213,787	99,133	112,643
Total non-current liabilities		1,127,747	1,456,880	264,989	350,035
Total liabilities		6,557,855	6,329,209	2,546,644	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
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(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					
471,067,269 ordinary shares of Baht 1 each					
(31 December 2009: 462,497,269 ordinary shares of Baht 1 each)		471,067	462,497	471,067	462,497
Share premium		1,100,973	1,017,395	1,100,973	1,017,395
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	5	(38,558)	-	-	-
Share subscriptions received in advance		-	2,219	-	2,219
Translation adjustments		(18,551)	(11,473)	-	-
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
- reserve for treasury shares	11.3	39,837	7,508	39,837	7,508
Unappropriated		1,061,298	724,730	324,602	69,382
Total shareholders' equity of the Company		2,666,066	2,252,876	1,986,479	1,609,001
Less: Treasury shares	11.2	(39,837)	(7,508)	(39,837)	(7,508)
Shareholders' equity of the Company - net		2,626,229	2,245,368	1,946,642	1,601,493
Minority interest - equity attributable to minority shareholders of subsidiaries		(8,657)	233,196	-	-
Total shareholders' equity		2,617,572	2,478,564	1,946,642	1,601,493
Total liabilities and shareholders' equity		9,175,427	8,807,773	4,493,286	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 30 September 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	3				
Revenues from sales		1,968,969	1,627,020	903,487	684,446
Service income		2,536	747	4,259	2,869
Other income					
Gain on exchange rate		30,745	16,957	13,266	7,266
Interest income from related parties		-	7,547	27	7,547
Dividend income from a subsidiary company	5	-	-	179,520	-
Gain from hedging activities		3,047	3,979	1,067	1,591
Compensation from insurance claim		21,001	-	-	-
Others		43,036	22,555	20,338	14,154
Total other income		97,829	51,038	214,218	30,558
Total revenues		2,069,334	1,678,805	1,121,964	717,873
Expenses	3				
Cost of sales		1,609,264	1,286,784	712,679	564,824
Selling expenses		138,864	105,003	60,763	42,047
Administrative expenses		96,302	81,834	35,578	38,909
Management benefit expense		14,512	13,045	7,152	6,009
Total expenses		1,858,942	1,486,666	816,172	651,789
Income before share of income from investments					
in associates, finance cost and corporate income tax		210,392	192,139	305,792	66,084
Share of income from investments in associates		329	164	-	-
Income before finance cost and corporate income tax		210,721	192,303	305,792	66,084
Finance cost		(45,845)	(64,283)	(13,654)	(18,077)
Income before corporate income tax		164,876	128,020	292,138	48,007
Corporate income tax	12	(117)	(493)	-	-
Net income for the period		164,759	127,527	292,138	48,007
Net income attributable to:					
Equity holders of the parent		165,129	123,562	292,138	48,007
Minority interests of the subsidiaries		(370)	3,965		
Total		164,759	127,527		

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Income statements (continued)

For the three-month periods ended 30 September 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 attributable to equity holders					
of the parent (Baht)		<u>0.35</u>	<u>0.27</u>	<u>0.63</u>	<u>0.11</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>466,097,258</u>	<u>455,717,569</u>	<u>466,097,258</u>	<u>455,717,569</u>
Diluted earnings per share					
Net income attributable to equity holders					
of the parent (Baht)		<u>0.35</u>	<u>0.27</u>	<u>0.62</u>	<u>0.11</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>468,213,636</u>	<u>455,717,569</u>	<u>468,213,636</u>	<u>455,717,569</u>

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 nine-month periods ended 30 September 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	5,718,082	4,021,205	2,472,591	1,708,733
Service income		5,582	1,470	15,789	8,423
Other income					
Gain on sale of land		-	41,296	-	41,296
Gain on exchange rate		15,912	40,387	-	11,063
Interest income from related parties		-	22,395	66	22,395
Dividend income from a subsidiary company	5	-	-	187,320	-
Gain from hedging activities		14,911	1,791	5,689	2,551
Compensation from insurance claim		41,001	-	-	-
Others		113,276	45,660	50,787	27,130
Total other income		185,100	151,529	243,862	104,435
Total revenues		5,908,764	4,174,204	2,732,242	1,821,591
Expenses					
Cost of sales	3	4,502,814	3,369,880	1,958,414	1,507,273
Selling expenses		390,913	284,475	159,564	107,556
Administrative expenses		296,351	249,274	109,004	118,341
Management benefit expense		47,562	42,286	24,053	22,554
Loss on exchange rate		-	-	9,101	-
Total expenses		5,237,640	3,945,915	2,260,136	1,755,724
Income before share of income (loss) from investments					
in associates, finance cost and corporate income tax		671,124	228,289	472,106	65,867
Share of income (loss) from investments in associates		2,970	(4,084)	-	-
Income before finance cost and corporate income tax		674,094	224,205	472,106	65,867
Finance cost		(155,365)	(212,088)	(46,273)	(57,539)
Income before corporate income tax		518,729	12,117	425,833	8,328
Corporate income tax	12	(3,142)	(3,796)	-	-
Net income for the period		515,587	8,321	425,833	8,328
Net income attributable to:					
Equity holders of the parent		507,181	9,120	425,833	8,328
Minority interests of the subsidiaries		8,406	(799)	-	-
Total		515,587	8,321	425,833	8,328

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

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Income statements (continued)

For the nine-month periods ended 30 September 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 attributable to equity holders					
of the parent (Baht)		<u>1.10</u>	<u>0.02</u>	<u>0.92</u>	<u>0.02</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>462,553,944</u>	<u>456,160,313</u>	<u>462,553,944</u>	<u>456,160,313</u>
Diluted earnings per share					
Net income attributable to equity holders					
of the parent (Baht)		<u>1.09</u>	<u>0.02</u>	<u>0.92</u>	<u>0.02</u>
Weighted average number of ordinary shares					
(shares)	11.4	<u>463,478,783</u>	<u>456,160,313</u>	<u>463,478,783</u>	<u>456,160,313</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 nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Income before tax	518,729	12,117	425,833	8,328
Adjustments to reconcile income before tax to cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	(2,970)	4,084	-	-
Depreciation	441,567	426,528	127,767	125,160
Amortisation	5,889	4,249	2,173	1,127
Allowance for doubtful accounts - interest income from associated company	-	22,395	-	22,395
Reversal of allowance for doubtful accounts - trade accounts receivable	(114)	(2,634)	(112)	(2,585)
Allowance (reversal) for diminution in value of inventories and inventory obsolescence	6,076	(25,313)	1,239	(4,209)
Gain on sales of fixed assets	(3,165)	(41,374)	(145)	(42,085)
Loss from write-off of fixed assets	2,600	8	946	8
Unrealised gain on revaluation of investments in trading securities	(550)	(644)	(550)	(644)
Unrealised gain on exchange rate	(8,266)	(8,052)	(607)	(3,850)
Dividend income from a subsidiary company	-	-	(187,320)	-
Interest income from associated company	-	(22,395)	-	(22,395)
Interest expenses	137,059	190,208	39,836	50,598
Income from operating activities before changes in operating assets and liabilities	1,096,855	559,177	409,060	131,848
Operating assets decrease (increase)				
Trade accounts receivable	(378,699)	(146,075)	(268,631)	25,166
Inventories	(287,377)	95,823	(16,946)	44,751
Other current assets	(94,675)	123,964	(3,740)	10,217
Other non-current assets	2,861	2,355	2,237	3,375
Operating liabilities increase (decrease)				
Trade accounts payable	370,061	230,497	178,930	50,607
Other current liabilities	31,535	(172,100)	(7,206)	3,633
Cash from operating activities	740,561	693,641	293,704	269,597
Cash paid for interest expenses	(142,904)	(200,107)	(40,958)	(51,630)
Cash paid for corporate income tax	(9,137)	(7,709)	(781)	(1,855)
Net cash from operating activities	588,520	485,825	251,965	216,112

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 nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Proceeds from sales of property and equipment	4,555	118,186	1,297	127,050
Cash paid for purchase of equipment	(106,281)	(190,430)	(82,266)	(80,579)
Cash paid for purchase of computer software	(13,230)	(27,215)	(11,131)	(17,956)
Dividend income from a subsidiary company	-	-	7,800	-
Cash paid for additional investments in subsidiaries	(284,497)	-	(223,647)	(250,000)
Net cash used in investing activities	(399,453)	(99,459)	(307,947)	(221,485)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	145,396	(1,118,894)	211,449	(163,118)
Cash received from liabilities under financial lease				
agreements	-	160,544	-	160,544
Cash paid for liabilities under hire-purchase and				
financial lease agreements	(81,355)	(59,998)	(72,558)	(59,488)
Cash received from long-term loans	130,000	809,684	-	108,334
Cash paid for long-term loans	(360,718)	(174,130)	(21,120)	(43,408)
Cash received from capital increase and warrants exercise	49,168	-	49,168	-
Cash received from sales of treasury shares	48,269	-	48,269	-
Cash paid for purchase of treasury shares	(39,837)	(1,134)	(39,837)	(1,134)
Dividend paid	(142,604)	-	(138,284)	-
Net cash from (used in) financing activities	(251,681)	(383,928)	37,087	1,730
Net increase (decrease) in cash and cash equivalents	(62,614)	2,438	(18,895)	(3,643)
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	94,465	120,026	29,593	27,008

Supplemental cash flows information

1) Non-cash related transactions for investing activities

Net increase (decrease) in other receivable from sales of machinery and equipment

-	-	(83)	14,469
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Net increase (decrease) accounts payable for purchases of machinery and equipment

16,596	(83,360)	(807)	14,277
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Dividend receivable from a subsidiary company

-	-	179,520	-
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2) Non-cash related transaction for financing activities

Assets acquired under hire-purchase and financial lease agreements

22,741	3,330	5,666	1,292
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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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements												
Shareholders' equity of the Company												
	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			Minority interest - Total equity attributable to the Company's shareholders		Total	
						Appropriated	Unappropriated	Treasury shares	equity attributable to minority shareholders	of subsidiaries		
						Statutory reserve	treasury shares		Treasury shares	shareholders	of subsidiaries	
Balance as at 31 December 2008	462,497	1,017,395	-	-	(7,993)	50,000	6,374	554,311	(6,374)	2,076,210	234,031	2,310,241
Expenses recognised directly in equity:												
Translation adjustments	-	-	-	-	(3,053)	-	-	-	-	(3,053)	-	(3,053)
Net expenses recognised directly in equity	-	-	-	-	(3,053)	-	-	-	-	(3,053)	-	(3,053)
Net income (loss) for the period	-	-	-	-	-	-	-	9,120	-	9,120	(799)	8,321
Total revenues (expenses) for the period	-	-	-	-	(3,053)	-	-	9,120	-	6,067	(799)	5,268
Treasury shares repurchased during the period	-	-	-	-	-	-	-	-	(1,134)	(1,134)	-	(1,134)
Treasury shares reserve	-	-	-	-	-	-	1,134	(1,134)	-	-	-	-
Balance as at 30 September 2009	<u>462,497</u>	<u>1,017,395</u>	<u>-</u>	<u>-</u>	<u>(11,046)</u>	<u>50,000</u>	<u>7,508</u>	<u>562,297</u>	<u>(7,508)</u>	<u>2,081,143</u>	<u>233,232</u>	<u>2,314,375</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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand 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			Minority interest -		Total	
							Statutory reserve	treasury shares	Unappropriated	Treasury shares	Total equity attributable to the Company's shareholders		quity attributable to minority shareholders
Balance as at 31 December 2009		462,497	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		-	-	-	-	(7,078)	-	-	-	-	(7,078)	-	(7,078)
Total expenses recognised directly in equity		-	-	-	-	(7,078)	-	-	-	-	(7,078)	-	(7,078)
Net income for the period		-	-	-	-	-	-	-	507,181	-	507,181	8,406	515,587
Total income (expenses) for the period		-	-	-	-	(7,078)	-	-	507,181	-	500,103	8,406	508,509
Ordinary shares issued during the period	11	8,570	42,817	-	(2,219)	-	-	-	-	-	49,168	-	49,168
Treasury shares repurchased during the period		-	-	-	-	-	-	-	-	(39,837)	(39,837)	-	(39,837)
Treasury shares sold during the period	11.2	-	40,761	-	-	-	-	(7,508)	7,508	7,508	48,269	-	48,269
Treasury shares reserve		-	-	-	-	-	-	39,837	(39,837)	-	-	-	-
Increase in investments in subsidiaries	5	-	-	(38,558)	-	-	-	-	-	-	(38,558)	(245,939)	(284,497)
Dividend paid	14	-	-	-	-	-	-	-	(138,284)	-	(138,284)	-	(138,284)
Dividend paid by a subsidiary company to minority interest		-	-	-	-	-	-	-	-	-	-	(4,320)	(4,320)
Balance as at 30 September 2010		<u>471,067</u>	<u>1,100,973</u>	<u>(38,558)</u>	<u>-</u>	<u>(18,551)</u>	<u>50,000</u>	<u>39,837</u>	<u>1,061,298</u>	<u>(39,837)</u>	<u>2,626,229</u>	<u>(8,657)</u>	<u>2,617,572</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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Note	Separate financial statements							Total
		Share			Retained earnings				
		Share capital		Share	Appropriated			Treasury shares	
		issued and	premium	subscriptions	Statutory reserve	Reserve for	Unappropriated		
paid-up		received in		treasury shares					
Balance as at 31 December 2008		462,497	1,017,395	-	50,000	6,374	(115,286)	(6,374)	1,414,606
Net income for the period		-	-	-	-	-	8,328	-	8,328
Total income for the period		-	-	-	-	-	8,328	-	8,328
Treasury shares repurchased during the period		-	-	-	-	-	-	(1,134)	(1,134)
Treasury shares reserve		-	-	-	-	1,134	(1,134)	-	-
Balance as at 30 September 2009		<u>462,497</u>	<u>1,017,395</u>	<u>-</u>	<u>50,000</u>	<u>7,508</u>	<u>(108,092)</u>	<u>(7,508)</u>	<u>1,421,800</u>
Balance as at 31 December 2009		462,497	1,017,395	2,219	50,000	7,508	69,382	(7,508)	1,601,493
Net income for the period		-	-	-	-	-	425,833	-	425,833
Total income for the period		-	-	-	-	-	425,833	-	425,833
Ordinary shares issued during the period	11	8,570	42,817	(2,219)	-	-	-	-	49,168
Treasury shares repurchased during the period		-	-	-	-	-	-	(39,837)	(39,837)
Treasury shares sold during the period	11.2	-	40,761	-	-	(7,508)	7,508	7,508	48,269
Treasury shares reserve		-	-	-	-	39,837	(39,837)	-	-
Dividend paid	14	-	-	-	-	-	(138,284)	-	(138,284)
Balance as at 30 September 2010		<u>471,067</u>	<u>1,100,973</u>	<u>-</u>	<u>50,000</u>	<u>39,837</u>	<u>324,602</u>	<u>(39,837)</u>	<u>1,946,642</u>

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