

KCE ELECTRONICS PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2007 AND 2006

## **Report of Independent Auditor**

To the Shareholders of KCE Electronics Public Company Limited

I have audited the accompanying consolidated balance sheets of KCE Electronics Public Company Limited and its subsidiaries as at 31 December 2007 and 2006 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of KCE Electronics Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KCE Electronics Public Company Limited and its subsidiaries and of KCE Electronics Public Company Limited as at 31 December 2007 and 2006, the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matter as discussed in Note 5 to the financial statements whereby, effective 1 January 2007, the Company changed its accounting policy for recording investments in subsidiaries and associates in the separate financial statements from the equity method to the cost method. The Company has thus restated the separate financial statements as at 31 December 2006 and for the year then ended to reflect this accounting change.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok : 26 February 2008