

KCE Electronics Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2008 and 2007

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 2008 and 2007 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 2008 and 2007, the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

I draw attention to the matter as discussed in Note 1.2 to the financial statement that from the global economics crisis, the Company and its subsidiaries have been affected from the reduction in purchase order from customers which caused a subsidiary having temporarily ceased the production since December 2008. However the management of the Company and its subsidiaries have contacted various customers to increase the purchase order in the future and have a plan to renovate the facilities of the subsidiary which has ceased the operation to support the production of more complicated products in the future. Therefore, the management of the Company and its subsidiaries believe that the Company and its subsidiaries' operations will return to normal in the future. The financial statements under report have been prepared under a going concern basis, assuming that the Company and its subsidiaries are able to continue their operations and that the realisation of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiaries, without any expectation of significant disruption to the ongoing activities.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok: 24 February 2009