

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

**Balance sheets**

**As at 31 December 2008 and 2007**

(Unit: Baht)

|  | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|  |      | 2008                              | 2007                 | 2008                          | 2007                 |
| <b>Assets</b>  |      |                                   |                      |                               |                      |
| <b>Current assets</b>                                    |      |                                   |                      |                               |                      |
| Cash and cash equivalents                                |      | 117,587,969                       | 190,165,371          | 30,651,325                    | 83,320,822           |
| Trade accounts receivable                                | 8    |                                   |                      |                               |                      |
| Related parties  | 9    | 474,230,226                       | 526,672,107          | 411,845,941                   | 276,460,821          |
| Unrelated parties  |      | 882,975,534                       | 1,473,871,954        | 272,532,154                   | 436,452,064          |
|  |      | 1,357,205,760                     | 2,000,544,061        | 684,378,095                   | 712,912,885          |
| Less: Allowance for doubtful accounts                    |      | (4,540,200)                       | (2,420,485)          | (4,260,556)                   | (2,357,396)          |
| Trade accounts receivable - net                          |      | 1,352,665,560                     | 1,998,123,576        | 680,117,539                   | 710,555,489          |
| Amounts due from and short-term loans to related parties | 9    | 561,376                           | 336                  | 19,332,136                    | 16,904               |
| Inventories - net  | 10   | 1,375,077,962                     | 1,711,323,322        | 431,241,263                   | 479,003,298          |
| <b>Other current assets</b>                              |      |                                   |                      |                               |                      |
| Input tax refundable                                     |      | 18,327,046                        | 5,531,090            | 5,772,075                     | 1,267,050            |
| Other accounts receivable                                |      | 20,465,741                        | 48,033,304           | 4,368,677                     | 4,682,674            |
| Accrued income   |      | 3,596,580                         | 15,871,494           | 814,796                       | 6,821,445            |
| Insurance claim receivable                               |      | 113,431,762                       | -                    | -                             | -                    |
| Prepaid expenses   |      | 6,440,161                         | 7,713,995            | 1,754,650                     | 2,799,045            |
| Others   |      | 33,095,353                        | 32,626,728           | 13,522,330                    | 3,438,681            |
| Total other current assets                               |      | 195,356,643                       | 109,776,611          | 26,232,528                    | 19,008,895           |
| <b>Total current assets</b>                              |      | <b>3,041,249,510</b>              | <b>4,009,389,216</b> | <b>1,187,574,791</b>          | <b>1,291,905,408</b> |
| <b>Non-current assets</b>                                |      |                                   |                      |                               |                      |
| Investments in subsidiaries - net                        | 11   | -                                 | -                    | 920,568,175                   | 919,098,175          |
| Investments in associates                                | 12   | 87,093,603                        | 82,173,056           | 2,422,385                     | 2,422,385            |
| Investments in marketable securities                     |      | 772,218                           | 1,494,103            | 772,218                       | 1,494,103            |
| Deposit and advance for purchases of assets              |      | 31,303,826                        | 12,170,904           | 31,303,826                    | 11,030,583           |
| Property, plant and equipment - net                      | 13   | 6,186,890,650                     | 5,764,364,493        | 1,539,742,796                 | 1,379,024,957        |
| Intangible assets - net                                  | 14   | 26,399,128                        | 10,233,172           | 11,326,693                    | 1,448,685            |
| Negative goodwill - net                                  | 4.1  | -                                 | (7,187,382)          | -                             | -                    |
| Deposits and others                                      |      | 10,932,539                        | 4,327,085            | 10,473,889                    | 3,925,835            |
| <b>Total non-current assets</b>                          |      | <b>6,343,391,964</b>              | <b>5,867,575,431</b> | <b>2,516,609,982</b>          | <b>2,318,444,723</b> |
| <b>Total assets</b>                                      |      | <b>9,384,641,474</b>              | <b>9,876,964,647</b> | <b>3,704,184,773</b>          | <b>3,610,350,131</b> |

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

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

**Balance sheets (continued)**

**As at 31 December 2008 and 2007**

(Unit: Baht)

|  | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|  |      | 2008                              | 2007                 | 2008                          | 2007                 |
| <b>Liabilities and shareholders' equity</b>        |      |                                   |                      |                               |                      |
| <b>Current liabilities</b>                         |      |                                   |                      |                               |                      |
| Bank overdrafts and short-term loans               |      |                                   |                      |                               |                      |
| from financial institutions                        | 15   | 4,460,734,345                     | 3,724,086,344        | 1,171,351,999                 | 869,104,492          |
| Trade accounts payable                             |      |                                   |                      |                               |                      |
| Related parties                                    | 9    | 49,093,414                        | 51,264,377           | 410,642,276                   | 352,812,201          |
| Unrelated parties                                  |      | 817,291,935                       | 1,370,045,041        | 202,593,477                   | 319,065,250          |
| Total trade accounts payable                       |      | 866,385,349                       | 1,421,309,418        | 613,235,753                   | 671,877,451          |
| Current portion of accounts payable under          |      |                                   |                      |                               |                      |
| financial lease agreements                         | 16   | 71,459,774                        | 23,249,671           | 68,205,930                    | 22,980,439           |
| Current portion of long-term loans                 | 17   | 395,131,250                       | 573,383,283          | 65,538,824                    | 63,796,691           |
| Amounts due to and advances from related parties   | 9    | 11,300,858                        | 9,155,383            | 23,385,318                    | 7,860,577            |
| Other current liabilities                          |      |                                   |                      |                               |                      |
| Other payable from purchases of equipment          |      | 116,471,331                       | 206,637,633          | 20,213,437                    | 153,109,160          |
| Accrued expenses                                   |      | 54,806,043                        | 184,512,162          | 23,431,357                    | 65,936,100           |
| Other accounts payable                             |      | 306,600,840                       | 100,906,122          | 75,651,541                    | 2,036,285            |
| Accrued interest expenses                          |      | 31,709,119                        | 29,745,487           | 5,312,586                     | 3,052,673            |
| Others   |      | 7,916,211                         | 7,395,635            | 1,484,766                     | 2,033,340            |
| Total other current liabilities                    |      | 517,503,544                       | 529,197,039          | 126,093,687                   | 226,167,558          |
| <b>Total current liabilities</b>                   |      | <b>6,322,515,120</b>              | <b>6,280,381,138</b> | <b>2,067,811,511</b>          | <b>1,861,787,208</b> |
| <b>Non-current liabilities</b>                     |      |                                   |                      |                               |                      |
| Accounts payable under financial lease agreements, |      |                                   |                      |                               |                      |
| net of current portion                             | 16   | 192,706,421                       | 82,377,862           | 185,898,256                   | 82,377,862           |
| Long-term loans, net of current portion            | 17   | 559,178,876                       | 804,112,967          | 35,869,000                    | 43,380,460           |
| <b>Total non-current liabilities</b>               |      | <b>751,885,297</b>                | <b>886,490,829</b>   | <b>221,767,256</b>            | <b>125,758,322</b>   |
| <b>Total liabilities</b>                           |      | <b>7,074,400,417</b>              | <b>7,166,871,967</b> | <b>2,289,578,767</b>          | <b>1,987,545,530</b> |

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

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

**Balance sheets (continued)**

**As at 31 December 2008 and 2007**

(Unit: Baht)

|  | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|  |      | 2008                              | 2007                 | 2008                          | 2007                 |
| <b>Shareholders' equity</b>  |      |                                   |                      |                               |                      |
| Share capital  | 18   |                                   |                      |                               |                      |
| Registered   |      |                                   |                      |                               |                      |
| 500,000,000 ordinary shares of Baht 1 each                                       |      | 500,000,000                       | 500,000,000          | 500,000,000                   | 500,000,000          |
| Issued and fully paid-up   |      |                                   |                      |                               |                      |
| 462,497,269 ordinary shares of Baht 1 each                                       |      | 462,497,269                       | 462,497,269          | 462,497,269                   | 462,497,269          |
| Share premium  |      | 1,017,395,000                     | 1,017,395,000        | 1,017,395,000                 | 1,017,395,000        |
| Translation adjustments  |      | (7,993,103)                       | (10,948,216)         | -                             | -                    |
| Deferred loss from hedging activities  |      | -                                 | (9,209,143)          | -                             | (3,668,754)          |
| Retained earnings  |      |                                   |                      |                               |                      |
| Appropriated - statutory reserve   | 19   | 50,000,000                        | 50,000,000           | 50,000,000                    | 50,000,000           |
| - reserve for treasury shares  | 18.3 | 6,374,591                         | -                    | 6,374,591                     | -                    |
| Unappropriated (deficit)   |      | 554,310,634                       | 989,319,751          | (115,286,263)                 | 96,581,086           |
| <b>Total shareholders' equity of the company</b>                                 |      | <b>2,082,584,391</b>              | <b>2,499,054,661</b> | <b>1,420,980,597</b>          | <b>1,622,804,601</b> |
| Less: Treasury shares  | 18.2 | (6,374,591)                       | -                    | (6,374,591)                   | -                    |
| <b>Shareholders' equity of the company - net</b>                                 |      | <b>2,076,209,800</b>              | <b>2,499,054,661</b> | <b>1,414,606,006</b>          | <b>1,622,804,601</b> |
| Company's shares held by its subsidiaries  | 18.4 | -                                 | (14,809,577)         | -                             | -                    |
| Minority interest - equity attributable to minority shareholders of subsidiaries |      | 234,031,257                       | 225,847,596          | -                             | -                    |
| <b>Total shareholders' equity</b>  |      | <b>2,310,241,057</b>              | <b>2,710,092,680</b> | <b>1,414,606,006</b>          | <b>1,622,804,601</b> |
| <b>Total liabilities and shareholders' equity</b>                                |      | <b>9,384,641,474</b>              | <b>9,876,964,647</b> | <b>3,704,184,773</b>          | <b>3,610,350,131</b> |
|  |      | -                                 | -                    | -                             | -                    |

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

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

**Income statements**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

|   | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|   |      | 2008                              | 2007                 | 2008                          | 2007                 |
| <b>Revenues</b>   |      |                                   |                      |                               |                      |
| Sales   | 9    | 7,667,337,486                     | 8,365,410,830        | 3,032,294,514                 | 2,937,393,828        |
| Other income  |      |                                   |                      |                               |                      |
| Gain on exchange rate   |      | -                                 | 49,694,907           | -                             | 16,675,886           |
| Interest income   | 9    | 30,722,611                        | 32,300,303           | 30,147,408                    | 31,063,508           |
| Income from insurance claim   |      | 28,620,929                        | -                    | 9,636,266                     | -                    |
| Others  |      | 169,819,969                       | 131,307,192          | 64,896,708                    | 34,872,856           |
| Total other income  |      | 229,163,509                       | 213,302,402          | 104,680,382                   | 82,612,250           |
| <b>Total revenues</b>   |      | <b>7,896,500,995</b>              | <b>8,578,713,232</b> | <b>3,136,974,896</b>          | <b>3,020,006,078</b> |
| <b>Expenses</b>   |      |                                   |                      |                               |                      |
| Cost of sales   | 9    | 6,602,157,032                     | 6,894,218,870        | 2,730,641,139                 | 2,511,007,989        |
| Selling expenses  | 9    | 678,272,573                       | 721,150,936          | 258,785,562                   | 260,143,238          |
| Administrative expenses   |      | 405,120,075                       | 383,370,762          | 143,420,770                   | 139,638,378          |
| Loss on exchange rate   |      | 20,467,717                        | -                    | 7,374,227                     | -                    |
| Loss from hedging activities  |      | 295,691,064                       | -                    | 101,084,840                   | -                    |
| Other expenses  |      | 2,374,635                         | 1,489,882            | 3,221,079                     | 226,689              |
| <b>Total expenses</b>   |      | <b>8,004,083,096</b>              | <b>8,000,230,450</b> | <b>3,244,527,617</b>          | <b>2,911,016,294</b> |
| <b>Income (loss) before finance cost, share of income from investments in associates and corporate income tax</b> |      |                                   |                      |                               |                      |
|   |      | (107,582,101)                     | 578,482,782          | (107,552,721)                 | 108,989,784          |
| Finance cost  |      | (285,350,359)                     | (294,136,508)        | (60,940,256)                  | (47,253,468)         |
| Share of income from investments in associates  | 12   | 1,965,434                         | 4,688,915            | -                             | -                    |
| <b>Income (loss) before corporate income tax</b>  |      | <b>(390,967,026)</b>              | <b>289,035,189</b>   | <b>(168,492,977)</b>          | <b>61,736,316</b>    |
| Corporate income tax  | 21   | (1,567,177)                       | (10,517,497)         | -                             | -                    |
| <b>Net income (loss) for the year</b>   |      | <b>(392,534,203)</b>              | <b>278,517,692</b>   | <b>(168,492,977)</b>          | <b>61,736,316</b>    |
| <b>Net income attributable to:</b>  |      |                                   |                      |                               |                      |
| Equity holders of the parent  |      | (399,169,562)                     | 257,426,423          | (168,492,977)                 | 61,736,316           |
| Minority interests of the subsidiaries  |      | 6,635,359                         | 21,091,269           |                               |                      |
|   |      | <b>(392,534,203)</b>              | <b>278,517,692</b>   |                               |                      |
| <b>Earnings per share</b>   |      |                                   |                      |                               |                      |
| Basic earnings per share  |      |                                   |                      |                               |                      |
| Net income (loss) attributable to equity holders of the parent  |      | (0.86)                            | 0.66                 | (0.36)                        | 0.16                 |
| Weighted average number of ordinary shares (shares)   | 18.5 | 462,218,585                       | 388,386,870          | 462,218,585                   | 392,958,720          |
| Diluted earnings per share  |      |                                   |                      |                               |                      |
| Net income (loss) attributable to equity holders of the parent  |      | (0.86)                            | 0.66                 | (0.36)                        | 0.16                 |
| Weighted average number of ordinary shares (shares)   | 18.5 | 462,218,585                       | 388,386,870          | 462,218,585                   | 392,958,720          |

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

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

**Cash flow statements**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

|   | Consolidated financial statements |                      | Separate financial statements |                    |
|---|-----------------------------------|----------------------|-------------------------------|--------------------|
|   | <u>2008</u>                       | <u>2007</u>          | <u>2008</u>                   | <u>2007</u>        |
| <b>Cash flows from operating activities</b>   |                                   |                      |                               |                    |
| Net income (loss) before tax  | (390,967,026)                     | 289,035,189          | (168,492,977)                 | 61,736,316         |
| Adjustments to reconcile net income (loss) before tax to net cash provided by (used in) operating activities: |                                   |                      |                               |                    |
| Share of income from investments in associates  | (1,965,434)                       | (4,688,915)          | -                             | -                  |
| Depreciation  | 542,228,252                       | 546,108,256          | 159,168,770                   | 120,447,724        |
| Amortisation  | 4,828,273                         | 5,155,161            | 1,149,328                     | 1,308,617          |
| Amortisation of negative goodwill - net   | -                                 | (3,526,171)          | -                             | -                  |
| Allowance for doubtful accounts - interest income from associated company                                     | 29,942,634                        | 29,942,634           | 29,942,634                    | 29,942,634         |
| Allowance for doubtful account  | 2,119,715                         | 1,386,954            | 1,903,160                     | 1,323,865          |
| Unrealised loss (gain) on exchange rate   | 17,516,827                        | (25,529,411)         | (5,486,378)                   | (5,024,003)        |
| Gain on sales of fixed assets   | (3,932,430)                       | (1,409,366)          | (1,680,506)                   | (1,873,252)        |
| Loss from write-off of fixed assets   | 2,175,681                         | 783,194              | 2,465,331                     | 46,324             |
| Loss from hedging activities  | 220,908,485                       | -                    | 84,539,536                    | -                  |
| Interest income from associated company   | (29,942,634)                      | (29,942,634)         | (29,942,634)                  | (29,942,634)       |
| Loss from write-off of inventories  | 10,332,245                        | 14,938,184           | -                             | -                  |
| Allowance for diminution in value of inventories and inventory obsolescence                                   | 52,585,228                        | 7,819,868            | 8,415,116                     | 2,963,938          |
| Unrealised loss (gain) from revaluation of investments in marketable securities                               | 721,885                           | (436,920)            | 721,885                       | (436,920)          |
| Interest expenses   | 281,468,727                       | 287,770,449          | 59,542,349                    | 46,178,705         |
| <b>Net income from operation before changes in operating assets and liabilities</b>                           | <b>738,020,428</b>                | <b>1,117,406,472</b> | <b>142,245,614</b>            | <b>226,671,314</b> |
| Operating assets decrease (increase)  |                                   |                      |                               |                    |
| Trade accounts receivable   | 656,664,685                       | 10,187,437           | 37,643,113                    | (94,132,442)       |
| Inventories   | 273,327,886                       | (363,526,831)        | 39,346,919                    | (122,065,434)      |
| Other current assets  | (76,705,352)                      | (70,095,043)         | 1,094,497                     | (6,363,080)        |
| Other non-current assets  | (6,723,454)                       | (13,498,238)         | (26,939,297)                  | (13,321,989)       |
| Operating liabilities increase (decrease)   |                                   |                      |                               |                    |
| Trade accounts payable  | (566,298,503)                     | 204,972,205          | (69,233,248)                  | 127,197,359        |
| Other current liabilities   | (126,130,325)                     | 60,803,097           | (28,410,539)                  | 15,818,133         |
| Cash flows from operating activities  | 892,155,365                       | 946,249,099          | 95,747,059                    | 133,803,861        |
| Cash paid for interest expenses   | (279,665,000)                     | (294,362,092)        | (58,855,771)                  | (50,214,092)       |
| Cash paid for corporate income tax  | (9,610,783)                       | (20,795,350)         | (922,171)                     | (764,647)          |
| <b>Net cash from operating activities</b>   | <b>602,879,582</b>                | <b>631,091,657</b>   | <b>35,969,117</b>             | <b>82,825,122</b>  |

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

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

**Cash flow statements (continued)**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

|  | Consolidated financial statements |                      | Separate financial statements |                      |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
|  | <u>2008</u>                       | <u>2007</u>          | <u>2008</u>                   | <u>2007</u>          |
| <b>Cash flows from investing activities</b>                                  |                                   |                      |                               |                      |
| Increase in investments in subsidiary  | -                                 | -                    | (1,470,000)                   | (2,160,000)          |
| Proceeds from sales of equipment   | 10,986,668                        | 22,057,521           | 12,283,434                    | 2,260,537            |
| Cash paid for purchases of equipment   | (786,649,571)                     | (729,601,155)        | (317,876,121)                 | (267,927,509)        |
| Cash paid for purchases of computer software                                 | (20,994,228)                      | -                    | (11,027,336)                  | -                    |
| Increase in minority interest  | 1,529,989                         | 1,521,027            | -                             | -                    |
| Increase in translation adjustments  | -                                 | 85,386               | -                             | -                    |
| <b>Net cash used in investing activities</b>                                 | <b>(795,127,142)</b>              | <b>(705,937,221)</b> | <b>(318,090,023)</b>          | <b>(267,826,972)</b> |
| <b>Cash flows from financing activities</b>                                  |                                   |                      |                               |                      |
| Increase in bank overdrafts and short-term loans from financial institutions | 595,128,888                       | 308,116,817          | 301,602,911                   | 47,029,684           |
| Cash received from long-term loans   | 150,142,000                       | 349,126,844          | 58,000,000                    | 67,168,089           |
| Cash paid for long-term loans  | (574,152,012)                     | (695,333,608)        | (63,796,691)                  | (75,754,644)         |
| Cash received from liabilities under finance lease agreements                | 202,732,425                       | -                    | 202,732,425                   | -                    |
| Cash paid for liabilities under finance lease agreements                     | (225,982,096)                     | -                    | (225,712,864)                 | -                    |
| Cash received from share capital increase                                    | -                                 | 147,567,269          | -                             | 147,567,269          |
| Dividend paid  | (36,634,033)                      | -                    | (36,999,781)                  | -                    |
| Cash paid for purchase of treasury shares                                    | (6,374,591)                       | -                    | (6,374,591)                   | -                    |
| Disposal of the Company's shares held by its subsidiaries                    | 14,809,577                        | 7,934,237            | -                             | -                    |
| <b>Net cash from financing activities</b>                                    | <b>119,670,158</b>                | <b>117,411,559</b>   | <b>229,451,409</b>            | <b>186,010,398</b>   |
| Net increase (decrease) in cash and cash equivalents                         | (72,577,402)                      | 42,565,995           | (52,669,497)                  | 1,008,548            |
| Cash and cash equivalents at beginning of the year                           | 190,165,371                       | 147,599,376          | 83,320,822                    | 82,312,274           |
| <b>Cash and cash equivalents at end of the year</b>                          | <b>117,587,969</b>                | <b>190,165,371</b>   | <b>30,651,325</b>             | <b>83,320,822</b>    |

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

(Unit: Baht)

|   | Consolidated financial statements      |                      |                         |  |                   |                             |                    |                 |  |   |  |                      |
|---|--|----------------------|-------------------------|--|-------------------|-----------------------------|--------------------|-----------------|--|---|--|----------------------|
|   | Shareholders' equity of the Company    |                      |                         |  |                   |                             |                    |                 | Minority interest - equity attributable                |   |  |                      |
|   | Share capital issued and fully paid-up |                      | Translation adjustments | Deferred gain (loss) from hedging activities | Retained earnings |                             |                    |                 | Total equity attributable to the parent's shareholders | Company's shares held by its subsidiaries | to minority shareholders of subsidiaries | Total                |
|   |  |                      |                         |  | Statutory reserve | Reserve for treasury shares | Unappropriated     | Treasury shares |  |   |  |                      |
| Share premium   |  |                      |                         |  |                   |                             |                    |                 |  |   |  |                      |
| <b>Balance as at 31 December 2006</b>                             | 314,930,000                            | 1,017,395,000        | (7,401,612)             | (4,033,152)                                  | 45,000,000        | -                           | 736,893,328        | -               | 2,102,783,564  | (22,743,814)                              | 203,235,300                              | 2,283,275,050        |
| <b>Expenses recognised directly in equity:</b>                    |  |                      |                         |  |                   |                             |                    |                 |  |   |  |                      |
| Translation adjustments   | -                                      | -                    | (3,546,604)             | -  | -                 | -                           | -                  | -               | (3,546,604)  | -   | -  | (3,546,604)          |
| Deferred loss from hedging activities                             | -                                      | -                    | -                       | (5,175,991)                                  | -                 | -                           | -                  | -               | (5,175,991)  | -   | -  | (5,175,991)          |
| <b>Expenses recognised directly in equity</b>                     | -                                      | -                    | (3,546,604)             | (5,175,991)                                  | -                 | -                           | -                  | -               | (8,722,595)  | -   | -  | (8,722,595)          |
| Net income for the year   | -                                      | -                    | -                       | -  | -                 | -                           | 257,426,423        | -               | 257,426,423  | -   | 21,091,269                               | 278,517,692          |
| <b>Total income and expenses for the year</b>                     | -                                      | -                    | (3,546,604)             | (5,175,991)                                  | -                 | -                           | 257,426,423        | -               | 248,703,828  | -   | 21,091,269                               | 269,795,097          |
| Unappropriated retained earnings transferred to statutory reserve | -                                      | -                    | -                       | -  | 5,000,000         | -                           | (5,000,000)        | -               | -  | -   | -  | -                    |
| Ordinary shares issued during the year                            | 147,567,269                            | -                    | -                       | -  | -                 | -                           | -                  | -               | 147,567,269  | -   | -  | 147,567,269          |
| Disposal of the Company's share held by its subsidiaries          | -                                      | -                    | -                       | -  | -                 | -                           | -                  | -               | -  | 7,934,237                                 | -  | 7,934,237            |
| Minority interest   | -                                      | -                    | -                       | -  | -                 | -                           | -                  | -               | -  | -   | 1,521,027                                | 1,521,027            |
| <b>Balance as at 31 December 2007</b>                             | <u>462,497,269</u>                     | <u>1,017,395,000</u> | <u>(10,948,216)</u>     | <u>(9,209,143)</u>                           | <u>50,000,000</u> | <u>-</u>                    | <u>989,319,751</u> | <u>-</u>        | <u>2,499,054,661</u>                                   | <u>(14,809,577)</u>                       | <u>225,847,596</u>                       | <u>2,710,092,680</u> |

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

|   | Consolidated financial statements            |                      |                            |  |                   |                   |                    |                    |   |   |  |                      |
|---|--|----------------------|----------------------------|--|-------------------|-------------------|--------------------|--------------------|---|---|--|----------------------|
|   | Shareholders' equity of the Company          |                      |                            |  |                   |                   |                    |                    | Minority interest -   |   |  |                      |
|   | Share capital<br>issued and<br>fully paid-up |                      | Translation<br>adjustments | Deferred gain<br>(loss) from<br>hedging activities | Retained earnings |                   |                    |                    | Total equity<br>attributable to the<br>parent's<br>shareholders | Company's<br>shares held<br>by its subsidiaries | Minority interest -<br>equity attributable<br>to minority<br>shareholders<br>of subsidiaries | Total                |
|   |  |                      |                            |  | Share premium     | Statutory reserve | Appropriated       | Reserve for        |   |   |  |                      |
| Share premium   | Statutory reserve                            | Appropriated         | Reserve for                | Treasury shares                                    | Unappropriated    | Treasury shares   | Unappropriated     | Treasury shares    | Unappropriated  | Treasury shares                                 | Unappropriated   |                      |
| <b>Balance as at 31 December 2007</b>                       | 462,497,269                                  | 1,017,395,000        | (10,948,216)               | (9,209,143)  | 50,000,000        | -                 | 989,319,751        | -                  | 2,499,054,661   | (14,809,577)                                    | 225,847,596  | 2,710,092,680        |
| <b>Income recognised directly in equity:</b>                |  |                      |                            |  |                   |                   |                    |                    |   |   |  |                      |
| Translation adjustments                                     | -  | -                    | 2,955,113                  | -  | -                 | -                 | -                  | -                  | 2,955,113   | -   | -  | 2,955,113            |
| Deferred gain from hedging activities                       | -  | -                    | -                          | 9,209,143  | -                 | -                 | -                  | -                  | 9,209,143   | -   | -  | 9,209,143            |
| <b>Income recognised directly in equity</b>                 | -  | -                    | 2,955,113                  | 9,209,143  | -                 | -                 | -                  | -                  | 12,164,256  | -   | -  | 12,164,256           |
| Net loss for the year                                       | -  | -                    | -                          | -  | -                 | -                 | (399,169,562)      | -                  | (399,169,562)   | -   | 6,635,359  | (392,534,203)        |
| <b>Total income and expenses</b>                            |  |                      |                            |  |                   |                   |                    |                    |   |   |  |                      |
| <b>for the year</b>   | -  | -                    | 2,955,113                  | 9,209,143  | -                 | -                 | (399,169,562)      | -                  | (387,005,306)   | -   | 6,635,359  | (380,369,947)        |
| Dividend paid   | -  | -                    | -                          | -  | -                 | -                 | (36,652,346)       | -                  | (36,652,346)  | -   | 18,313   | (36,634,033)         |
| Treasury shares   | -  | -                    | -                          | -  | -                 | -                 | -                  | (6,374,591)        | (6,374,591)   | -   | -  | (6,374,591)          |
| Treasury shares reserve                                     | -  | -                    | -                          | -  | -                 | 6,374,591         | (6,374,591)        | -                  | -   | -   | -  | -                    |
| Write-off of negative goodwill (Note 4.1)                   | -  | -                    | -                          | -  | -                 | -                 | 7,187,382          | -                  | 7,187,382   | -   | -  | 7,187,382            |
| Disposal of the Company's share held by<br>its subsidiaries | -  | -                    | -                          | -  | -                 | -                 | -                  | -                  | -   | 14,809,577                                      | -  | 14,809,577           |
| Minority interest   | -  | -                    | -                          | -  | -                 | -                 | -                  | -                  | -   | -   | 1,529,989  | 1,529,989            |
| <b>Balance as at 31 December 2008</b>                       | <u>462,497,269</u>                           | <u>1,017,395,000</u> | <u>(7,993,103)</u>         | <u>-</u>   | <u>50,000,000</u> | <u>6,374,591</u>  | <u>554,310,634</u> | <u>(6,374,591)</u> | <u>2,076,209,800</u>  | <u>-</u>  | <u>234,031,257</u>   | <u>2,310,241,057</u> |

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2008 and 2007

(Unit: Baht)

|  | Separate financial statements                |                      |  |                   |                  |                      |                                |                      |       |
|--|--|----------------------|--|-------------------|------------------|----------------------|--------------------------------|----------------------|-------|
|  | Share capital<br>issued and<br>fully paid-up |                      | Deferred gain<br>(loss) from<br>hedging activities | Retained earnings |                  |                      |                                | Treasury shares      | Total |
|  |  |                      |  | Appropriated      |                  | Unappropriated       | Reserve for<br>treasury shares |                      |       |
|  | Share premium                                | Statutory reserve    | Reserve for  |                   |                  |                      |                                |                      |       |
| <b>Balance as at 31 December 2006</b>                                | 314,930,000                                  | 1,017,395,000        | (943,613)  | 45,000,000        | -                | 39,844,770           | -                              | 1,416,226,157        |       |
| <b>Expenses recognised directly in equity:</b>                       |  |                      |  |                   |                  |                      |                                |                      |       |
| Deferred loss from hedging activities                                | -  | -                    | (2,725,141)  | -                 | -                | -                    | -                              | (2,725,141)          |       |
| <b>Expenses recognised directly in equity</b>                        | -  | -                    | (2,725,141)  | -                 | -                | -                    | -                              | (2,725,141)          |       |
| Net income for the year  | -  | -                    | -  | -                 | -                | 61,736,316           | -                              | 61,736,316           |       |
| <b>Total income and expenses for the year</b>                        | -  | -                    | (2,725,141)  | -                 | -                | 61,736,316           | -                              | 59,011,175           |       |
| Ordinary shares issued during the year                               | 147,567,269                                  | -                    | -  | -                 | -                | -                    | -                              | 147,567,269          |       |
| Unappropriated retained earnings<br>transferred to statutory reserve | -  | -                    | -  | 5,000,000         | -                | (5,000,000)          | -                              | -                    |       |
| <b>Balance as at 31 December 2007</b>                                | <u>462,497,269</u>                           | <u>1,017,395,000</u> | <u>(3,668,754)</u>                                 | <u>50,000,000</u> | <u>-</u>         | <u>96,581,086</u>    | <u>-</u>                       | <u>1,622,804,601</u> |       |
| <b>Balance as at 31 December 2007</b>                                | 462,497,269                                  | 1,017,395,000        | (3,668,754)  | 50,000,000        | -                | 96,581,086           | -                              | 1,622,804,601        |       |
| <b>Income recognised directly in equity:</b>                         |  |                      |  |                   |                  |                      |                                |                      |       |
| Deferred gain from hedging activities                                | -  | -                    | 3,668,754  | -                 | -                | -                    | -                              | 3,668,754            |       |
| <b>Income recognised directly in equity</b>                          | -  | -                    | 3,668,754  | -                 | -                | -                    | -                              | 3,668,754            |       |
| Net loss for the year  | -  | -                    | -  | -                 | -                | (168,492,977)        | -                              | (168,492,977)        |       |
| <b>Total income and expenses for the year</b>                        | -  | -                    | 3,668,754  | -                 | -                | (168,492,977)        | -                              | (164,824,223)        |       |
| Dividend paid  | -  | -                    | -  | -                 | -                | (36,999,781)         | -                              | (36,999,781)         |       |
| Treasury shares  | -  | -                    | -  | -                 | -                | -                    | (6,374,591)                    | (6,374,591)          |       |
| Treasury shares reserve  | -  | -                    | -  | -                 | 6,374,591        | (6,374,591)          | -                              | -                    |       |
| <b>Balance as at 31 December 2008</b>                                | <u>462,497,269</u>                           | <u>1,017,395,000</u> | <u>-</u>   | <u>50,000,000</u> | <u>6,374,591</u> | <u>(115,286,263)</u> | <u>(6,374,591)</u>             | <u>1,414,606,006</u> |       |

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