

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u> 31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	200,713	147,599	77,922	82,312
Trade accounts receivable				
Related parties	4 517,649	550,907	186,529	216,097
Other companies	5 1,553,329	1,461,679	432,546	398,140
	2,070,978	2,012,586	619,075	614,237
Less : Allowance for doubtful accounts	(2,674)	(1,033)	(2,674)	(1,033)
Trade accounts receivable - net	2,068,304	2,011,553	616,401	613,204
Amounts due from and short-term loans				
to related parties - net	5 241	2	5,678	5,952
Inventories - net	6 1,283,897	1,370,555	354,863	359,902
Other current assets				
Receivable from Revenue Department	6,481	11,046	2,232	3,913
Prepaid expenses	14,701	4,536	4,083	1,455
Others	26,841	23,852	11,108	6,586
Total other current assets	48,023	39,434	17,423	11,954
<b>TOTAL CURRENT ASSETS</b>	<b>3,601,178</b>	<b>3,569,143</b>	<b>1,072,287</b>	<b>1,073,324</b>
<b>NON-CURRENT ASSETS</b>				
Investments in subsidiaries	7 -	-	919,098	916,938
Investments in associates	7 75,427	81,116	2,423	2,423
Investments in marketable securities	1,117	1,057	1,117	1,057
Deposit and advance for purchase of assets	3,317	3,411	-	-
Property, plant and equipment - net	8 5,512,973	5,469,700	1,069,235	1,022,292
Goodwill - net	51	68	-	-
Negative goodwill - net	(9,882)	(10,781)	-	-
Deposits and others	1,959	1,859	1,734	1,634
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,584,962</b>	<b>5,546,430</b>	<b>1,993,607</b>	<b>1,944,344</b>
<b>TOTAL ASSETS</b>	<b>9,186,140</b>	<b>9,115,573</b>	<b>3,065,894</b>	<b>3,017,668</b>

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
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans					
from financial institutions	9	3,486,158	3,420,514	761,547	821,647
Trade accounts payable					
Related parties	5	64,970	67,794	318,561	284,466
Other companies		1,235,212	1,151,868	279,372	258,874
Total trade accounts payable		1,300,182	1,219,662	597,933	543,340
Current portion of long-term loans	10	636,811	696,813	70,569	74,649
Amounts due to and advances from related parties	5	8,576	10,812	10,824	13,124
Other current liabilities					
Other payable from purchases of equipment		112,064	166,516	42,552	44,416
Accrued expenses		197,911	163,948	69,702	49,428
Other payable		117,244	84,239	-	2,029
Corporate income tax payable		11,648	5,948	-	-
Accrued interest expenses		31,913	28,529	3,452	3,044
Others		7,315	6,263	3,453	1,520
Total other current liabilities		478,095	455,443	119,159	100,437
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,909,822</b>	<b>5,803,244</b>	<b>1,560,032</b>	<b>1,553,197</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans, net of current portion	10	932,287	1,029,054	83,772	48,245
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>932,287</b>	<b>1,029,054</b>	<b>83,772</b>	<b>48,245</b>
<b>TOTAL LIABILITIES</b>		<b>6,842,109</b>	<b>6,832,298</b>	<b>1,643,804</b>	<b>1,601,442</b>

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)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Note	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	11			
Registered				
450,000,000 ordinary shares of Baht 1 each		450,000	450,000	450,000
Issued and fully paid-up				
314,930,000 ordinary shares of Baht 1 each		314,930	314,930	314,930
Share premium		1,017,395	1,017,395	1,017,395
Translation adjustments		(9,441)	(7,401)	-
Deferred gain (loss) from hedging activities		(1,166)	(4,033)	248
Retained earnings				
Appropriated - statutory reserve		45,000	45,000	45,000
Unappropriated		790,976	736,893	67,261
<b>TOTAL SHAREHOLDERS' EQUITY OF THE COMPANY</b>		<b>2,157,694</b>	<b>2,102,784</b>	<b>1,444,834</b>
COMPANY'S SHARES HELD BY ITS SUBSIDIARIES	11.2	(22,744)	(22,744)	(22,744)
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries		209,081	203,235	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,344,031</b>	<b>2,283,275</b>	<b>1,422,090</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>9,186,140</b>	<b>9,115,573</b>	<b>3,065,894</b>
		0	0	0

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

.....  
DIRECTORS  
.....

(UNAUDITED BUT REVIEWED)

## KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

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

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
<b>REVENUES</b>					
Sales	5	2,075,311	1,713,143	664,580	580,959
Other income					
Interest income	5	7,810	7,678	7,809	7,678
Gain on exchange rate		-	-	1,460	-
Others		30,119	25,227	12,263	8,712
Total other income		37,929	32,905	21,532	16,390
Share of income from investments in associates		-	1,592	-	-
<b>TOTAL REVENUES</b>		<b>2,113,240</b>	<b>1,747,640</b>	<b>686,112</b>	<b>597,349</b>
<b>EXPENSES</b>					
Cost of sales	5	1,700,270	1,455,520	573,778	520,644
Selling and administrative expenses	5	269,375	261,168	95,310	86,096
Loss on exchange rate		1,165	19,095	-	8,616
Impairment of investments in subsidiaries		-	-	-	68,336
Share of loss from investments in associates		3,718	-	-	-
<b>TOTAL EXPENSES</b>		<b>1,974,528</b>	<b>1,735,783</b>	<b>669,088</b>	<b>683,692</b>
<b>INCOME (LOSS) BEFORE INTEREST EXPENSES</b>					
AND CORPORATE INCOME TAX		138,712	11,857	17,024	(86,343)
<b>INTEREST EXPENSES</b>		<b>(74,523)</b>	<b>(64,247)</b>	<b>(12,352)</b>	<b>(8,756)</b>
<b>CORPORATE INCOME TAX</b>	13	<b>(5,700)</b>	<b>(3,675)</b>	<b>-</b>	<b>-</b>
<b>INCOME (LOSS) AFTER CORPORATE INCOME TAX</b>		<b>58,489</b>	<b>(56,065)</b>	<b>4,672</b>	<b>(95,099)</b>
<b>NET INCOME ATTRIBUTABLE TO MINORITY INTEREST</b>		<b>(4,406)</b>	<b>(9,739)</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>		<b>54,083</b>	<b>(65,804)</b>	<b>4,672</b>	<b>(95,099)</b>
<b>EARNINGS PER SHARE (BAHT)</b>					
Basic earnings per share					
Net income (loss)		0.17	(0.21)	0.02	(0.31)
Weighted average number of ordinary shares (shares)	11.3	310,025,000	310,285,000	310,025,000	310,285,000

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 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
<b>Cash flows from operating activities</b>				
Net income (loss)	54,083	(65,804)	4,672	(95,099)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities :-				
Share of loss (income) from investments in associates				
accounted for under equity method	3,718	(1,592)	-	-
Depreciation	129,639	132,933	27,411	29,393
Amortisation of goodwill - net	(882)	(882)	-	-
Allowance for doubtful accounts	7,383	7,383	7,383	7,383
Bad debts	1,641	708	1,641	619
Unrealised loss (gain) on exchange rate	(17,388)	(15,183)	(12,677)	5,897
Gain on sales of fixed assets	(70)	(1,003)	(1,121)	(310)
Loss from write-off of fixed assets	385	17	-	-
Interest income from related company	(7,383)	(7,383)	(7,383)	(7,383)
Allowance for diminution in value of inventories and inventory obsolescence	1,601	12,732	2,317	9,589
Allowance for diminution in value of investments in subsidiaries	-	-	-	68,336
Unrealised loss (gain) on revaluation of investments in marketable securities	(60)	68	(60)	68
Net income attributable to minority interest	4,406	9,739	-	-
Income from operating activities before changes in operating assets and liabilities	177,073	71,733	22,183	18,493
Operating assets decrease (increase)				
Trade accounts receivable	(72,600)	61,922	(1,174)	38,991
Inventories	85,057	(203,372)	2,722	(65,700)
Other current assets	(7,385)	20,503	(5,170)	(3,470)
Other non-current assets	(100)	3,768	(100)	(25)
Operating liabilities increase				
Trade accounts payable	98,703	109,310	62,539	82,918
Other current liabilities	75,646	50,202	18,973	18,602
Net cash from operating activities	356,394	114,066	99,973	89,809

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 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
<b>Cash flows from investing activities</b>				
Proceeds from sales of equipment	244	-	1,121	390
Cash paid for purchase of land and equipment	(159,872)	(87,106)	(77,510)	(5,265)
Translation adjustments	(69)	21	-	-
Net cash used in investing activities	<u>(159,697)</u>	<u>(87,085)</u>	<u>(76,389)</u>	<u>(4,875)</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	10,877	179,498	(59,905)	(5,885)
Cash received from long-term loans	52,862	-	52,862	-
Cash paid for long-term loans	(207,322)	(177,908)	(20,931)	(19,876)
Increase in the Company's shares held by its subsidiaries	-	(692)	-	-
Net cash from (used in) financing activities	<u>(143,583)</u>	<u>898</u>	<u>(27,974)</u>	<u>(25,761)</u>
Net increase (decrease) in cash and cash equivalents	53,114	27,879	(4,390)	59,173
Cash and cash equivalents at beginning of the period	147,599	172,811	82,312	38,642
Cash and cash equivalents at end of the period	<u>200,713</u>	<u>200,690</u>	<u>77,922</u>	<u>97,815</u>
<b>Supplement cash flows information</b>				
Cash paid during the period for :-				
Interest expenses	75,541	64,251	13,602	8,941
Corporate income tax	453	2,104	191	170

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

## Consolidated financial statements

	Share capital		Translation adjustments	Deferred gain (loss) from hedging activities	Retained earnings		Company's shares held by its subsidiaries	Minority interest	Total
	issued and fully paid-up	Share premium			Appropriated - statutory reserve	Unappropriated			
<b>Balance as at 1 January 2007</b>	314,930	1,017,395	(7,401)	(4,033)	45,000	736,893	(22,744)	203,235	2,283,275
Translation adjustments	-	-	(2,040)	-	-	-	-	-	(2,040)
Net income for the period	-	-	-	-	-	54,083	-	4,406	58,489
Deferred gain from hedging activities	-	-	-	2,867	-	-	-	-	2,867
Minority interest	-	-	-	-	-	-	-	1,440	1,440
<b>Balance as at 31 March 2007</b>	<u>314,930</u>	<u>1,017,395</u>	<u>(9,441)</u>	<u>(1,166)</u>	<u>45,000</u>	<u>790,976</u>	<u>(22,744)</u>	<u>209,081</u>	<u>2,344,031</u>
<b>Balance as at 1 January 2006</b>	314,930	1,017,395	(393)	-	45,000	853,614	(20,594)	190,064	2,400,016
Translation adjustments	-	-	(3,050)	-	-	-	-	-	(3,050)
Net loss for the period	-	-	-	-	-	(65,804)	-	9,739	(56,065)
Investment in the Company's share by its subsidiaries	-	-	-	-	-	-	(692)	-	(692)
<b>Balance as at 31 March 2006</b>	<u>314,930</u>	<u>1,017,395</u>	<u>(3,443)</u>	<u>-</u>	<u>45,000</u>	<u>787,810</u>	<u>(21,286)</u>	<u>199,803</u>	<u>2,340,209</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 2007 AND 2006

(Unit : Thousand Baht)

	Separate financial statements							
	Share capital		Translation adjustments	Deferred gain (loss) from hedging activities	Retained earnings		Company's shares held by its subsidiaries	Total
	issued and fully paid-up	Share premium			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2007 - as previously reported</b>	314,930	1,017,395	(7,316)	(944)	45,000	736,893	(22,744)	2,083,214
Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies (Note 2)	-	-	7,316	-	-	(674,304)	-	(666,988)
<b>Balance as at 1 January 2007 - as restated</b>	314,930	1,017,395	-	(944)	45,000	62,589	(22,744)	1,416,226
Net income for the period	-	-	-	-	-	4,672	-	4,672
Deferred gain from hedging activities	-	-	-	1,192	-	-	-	1,192
<b>Balance as at 31 March 2007</b>	<u>314,930</u>	<u>1,017,395</u>	<u>-</u>	<u>248</u>	<u>45,000</u>	<u>67,261</u>	<u>(22,744)</u>	<u>1,422,090</u>
<b>Balance as at 1 January 2006 - as previously reported</b>	314,930	1,017,395	(393)	-	45,000	853,240	(20,594)	2,209,578
Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies (Note 2)	-	-	393	-	-	(664,000)	-	(663,607)
<b>Balance as at 1 January 2006 - as restated</b>	314,930	1,017,395	-	-	45,000	189,240	(20,594)	1,545,971
Net loss for the period (restated)	-	-	-	-	-	(95,099)	-	(95,099)
Investment in the Company's share by its subsidiaries	-	-	-	-	-	-	(692)	(692)
<b>Balance as at 31 March 2006 - as restated</b>	<u>314,930</u>	<u>1,017,395</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>94,141</u>	<u>(21,286)</u>	<u>1,450,180</u>

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