

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
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		229,747	190,165	80,654	83,321
Trade accounts receivable	3				
Related parties	4	504,052	526,672	254,866	276,461
Other companies		1,489,590	1,473,872	461,302	436,452
		1,993,642	2,000,544	716,168	712,913
Less: Allowance for doubtful accounts		(2,076)	(2,420)	(1,916)	(2,358)
Trade accounts receivable - net		1,991,566	1,998,124	714,252	710,555
Amounts due from and short-term loans to related parties - net	4	-	-	3,539	17
Inventories - net		1,651,906	1,711,323	488,733	479,003
Other current assets					
Accounts receivable under hedging agreements		116,457	17,541	38,076	1,761
Other accounts receivable		33,419	48,033	7,159	4,683
Accrued income		11,711	15,872	2,217	6,822
Prepaid expenses		17,400	7,714	4,311	2,799
Others		19,102	20,617	2,051	2,944
Total other current assets		198,089	109,777	53,814	19,009
Total current assets		4,071,308	4,009,389	1,340,992	1,291,905
Non-current assets					
Investments in subsidiaries	6	-	-	919,098	919,098
Investments in associates	7	79,123	82,173	2,423	2,423
Investments in marketable securities		1,545	1,494	1,545	1,494
Deposit and advance for purchases of assets		34,587	12,171	25,542	11,030
Property, plant and equipment - net	8	5,865,319	5,774,598	1,388,510	1,380,474
Negative goodwill - net		(7,187)	(7,187)	-	-
Deposits and others		11,853	4,327	11,520	3,926
Total Non-current assets		5,985,240	5,867,576	2,348,638	2,318,445
Total assets		10,056,548	9,876,965	3,689,630	3,610,350

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: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	31 March 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	9	3,904,416	3,724,087	904,608	869,104
Trade accounts payable					
Related parties	4	64,541	51,264	403,445	352,812
Other companies		1,332,912	1,370,045	301,384	319,065
Total trade accounts payable		1,397,453	1,421,309	704,829	671,877
Current portion of liabilities under financial lease agreements		53,460	23,250	53,316	22,980
Current portion of long-term loans	10	536,422	573,383	60,102	63,797
Amounts due to and advances from related parties	4	10,445	9,155	4,468	7,861
Other current liabilities					
Other payable from purchases of equipment		67,167	206,638	3,716	153,109
Other accounts payable		101,002	100,906	-	2,036
Accrued expenses		226,375	184,512	81,406	65,936
Corporate income tax payable		1,441	-	-	-
Accrued interest expenses		28,591	29,745	3,696	3,053
Others		7,351	7,396	1,734	2,034
Total other current liabilities		431,927	529,197	90,552	226,168
Total current liabilities		6,334,123	6,280,381	1,817,875	1,861,787
Non-current liabilities					
Liabilities under financial lease agreements,					
net of current portion		186,721	82,378	186,721	82,378
Long-term loans, net of current portion	10	692,343	804,113	29,133	43,380
Total non-current liabilities		879,064	886,491	215,854	125,758
Total liabilities		7,213,187	7,166,872	2,033,729	1,987,545

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: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	<u>Note</u>	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
500,000,000 ordinary shares of Baht 1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid-up				
462,497,269 ordinary shares of Baht 1 each	462,497	462,497	462,497	462,497
Share premium	1,017,395	1,017,395	1,017,395	1,017,395
Translation adjustments	(15,177)	(10,948)	-	-
Deferred gain (loss) from hedging activities	11,674	(9,209)	4,101	(3,668)
Retained earnings				
Appropriated - statutory reserve	50,000	50,000	50,000	50,000
Unappropriated	<u>1,099,925</u>	<u>989,320</u>	<u>121,908</u>	<u>96,581</u>
Total shareholders' equity of the company	2,626,314	2,499,055	1,655,901	1,622,805
Company's shares held by its subsidiaries	11.3 (14,810)	(14,810)	-	-
Minority interest - equity attributable to minority shareholders of subsidiaries				
	<u>231,857</u>	<u>225,848</u>	-	-
Total shareholders' equity	2,843,361	2,710,093	1,655,901	1,622,805
Total liabilities and shareholders' equity	10,056,548	9,876,965	3,689,630	3,610,350
	-	-	-	-

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 31 March 2008 and 2007**

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

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Sales and service income	4	2,173,743	2,075,311	809,948	664,580
Other income					
Interest income	4	7,529	7,810	7,521	7,809
Gain on exchange rate	12	139,332	-	40,387	1,460
Others		29,645	30,119	11,240	12,263
Total other income		176,506	37,929	59,148	21,532
Share of income from investments in associates	7	1,179	-	-	-
Total revenues		2,351,428	2,113,240	869,096	686,112
Expenses					
Cost of sales	4	1,844,871	1,700,270	720,281	573,778
Selling and administrative expenses	4	316,310	269,375	109,909	95,310
Loss on exchange rate		-	1,165	-	-
Share of loss from investments in associates	7	-	3,718	-	-
Total expenses		2,161,181	1,974,528	830,190	669,088
Income before interest expenses and corporate income tax		190,247	138,712	38,906	17,024
Interest expenses		(69,539)	(74,523)	(13,579)	(12,352)
Corporate income tax	13	(4,094)	(5,700)	-	-
Net income for the period		116,614	58,489	25,327	4,672
Net income attributable to:					
Equity holders of the parent		110,605	54,083	25,327	4,672
Minority interests of the subsidiaries		6,009	4,406		
Total		116,614	58,489		
Earnings per share					
Basic earnings per share					
Net income attributable to equity holders of the parent (Baht)		0.24	0.17	0.06	0.02
Weighted average number of ordinary shares (shares)	11.4	457,925,419	310,025,000	457,925,419	310,025,000
Diluted earnings per share					
Net income attributable to equity holders of the parent (Baht)		0.24	0.17	0.06	0.02
Weighted average number of ordinary shares (shares)	11.4	457,925,419	310,025,000	457,925,419	310,025,000

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 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from operating activities				
Net income before tax	120,708	64,189	25,327	4,672
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	(1,179)	3,718	-	-
Depreciation	139,784	129,639	36,836	27,411
Amortisation of goodwill - net	-	(882)	-	-
Allowance for doubtful accounts - Interest income from associated company	7,445	7,383	7,445	7,383
Allowance for doubtful accounts - Trade accounts receivable	(344)	1,641	(442)	1,641
Unrealised gain on exchange rate	(133,910)	(17,388)	(32,638)	(12,677)
Loss (gain) on sales of fixed assets	5	(70)	(132)	(1,121)
Loss (gain) from write-off of fixed assets	(348)	385	4	-
Interest income from associated company	(7,445)	(7,383)	(7,445)	(7,383)
Allowance for diminution in value of inventories and inventory obsolescence	5,391	1,601	298	2,317
Unrealised gain on revaluation of investments in marketable securities	(51)	(60)	(51)	(60)
Interest expenses	<u>69,539</u>	<u>74,523</u>	<u>13,579</u>	<u>12,352</u>
Income from operating activities before changes in operating assets and liabilities	199,595	257,296	42,781	34,535
Operating assets decrease (increase)				
Trade accounts receivable	(24,792)	(72,600)	(19,916)	(1,174)
Inventories	54,026	85,057	(10,028)	2,722
Other current assets	(94,442)	(7,385)	(42,848)	(5,170)
Other non-current assets	(7,526)	(100)	(22,206)	(100)
Operating liabilities increase (decrease)				
Trade accounts payable	11,963	98,703	50,688	62,539
Other current liabilities	<u>173,074</u>	<u>71,417</u>	<u>56,281</u>	<u>20,414</u>
Cash from operating activities	311,898	432,388	54,752	113,766
Cash paid for interest expenses	(71,240)	(75,541)	(13,261)	(13,602)
Cash paid for corporate income tax	<u>(547)</u>	<u>(453)</u>	<u>(156)</u>	<u>(191)</u>
Net cash from operating activities	<u>240,111</u>	<u>356,394</u>	<u>41,335</u>	<u>99,973</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 (continued)

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from investing activities				
Proceeds from sales of equipment	338	244	380	1,121
Cash paid for purchase of equipment	(346,677)	(159,872)	(196,965)	(77,510)
Translation adjustments	-	(69)	-	-
Net cash used in investing activities	<u>(346,339)</u>	<u>(159,697)</u>	<u>(196,585)</u>	<u>(76,389)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	162,611	10,877	37,614	(59,905)
Cash received from long-term loans	-	52,862	-	52,862
Cash paid for long-term loans	(151,354)	(207,322)	(19,710)	(20,931)
Cash received from liabilities under financial lease agreements	145,117	-	145,117	-
Cash paid for liabilities under financial lease agreements	<u>(10,564)</u>	<u>-</u>	<u>(10,438)</u>	<u>-</u>
Net cash from (used in) financing activities	<u>145,810</u>	<u>(143,583)</u>	<u>152,583</u>	<u>(27,974)</u>
Net increase (decrease) in cash and cash equivalents	39,582	53,114	(2,667)	(4,390)
Cash and cash equivalents at beginning of the period	<u>190,165</u>	<u>147,599</u>	<u>83,321</u>	<u>82,312</u>
Cash and cash equivalents at end of the period	<u><u>229,747</u></u>	<u><u>200,713</u></u>	<u><u>80,654</u></u>	<u><u>77,922</u></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

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

Consolidated financial statements

	Share capital issued and fully paid-up	Share premium	Translation adjustments	Deferred gain (loss) from hedging activities	Retained earnings Appropriated - statutory reserve	Unappropriated	Company's shares held by its subsidiaries	Minority interest	Total
Balance as at 1 January 2007	314,930	1,017,395	(7,401)	(4,033)	45,000	736,893	(22,744)	203,235	2,283,275
Unrealised items in income statements									
Translation adjustments	-	-	(2,040)	-	-	-	-	-	(2,040)
Deferred gain from hedging activities	-	-	-	2,867	-	-	-	-	2,867
Minority interest	-	-	-	-	-	-	-	1,440	1,440
Net income for the period	-	-	-	-	-	54,083	-	4,406	58,489
Balance as at 31 March 2007	<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>
Balance as at 1 January 2008	462,497	1,017,395	(10,948)	(9,209)	50,000	989,320	(14,810)	225,848	2,710,093
Unrealised items in income statements									
Translation adjustments	-	-	(4,229)	-	-	-	-	-	(4,229)
Deferred gain from hedging activities	-	-	-	20,883	-	-	-	-	20,883
Net income for the period	-	-	-	-	-	110,605	-	6,009	116,614
Balance as at 31 March 2008	<u>462,497</u>	<u>1,017,395</u>	<u>(15,177)</u>	<u>11,674</u>	<u>50,000</u>	<u>1,099,925</u>	<u>(14,810)</u>	<u>231,857</u>	<u>2,843,361</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 2008 and 2007

(Unit: Thousand Baht)

Separate financial statements

	Share capital issued and fully paid-up	Share premium	Deferred gain (loss) from hedging activities	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2007	314,930	1,017,395	(944)	45,000	39,845	1,416,226
Unrealised items in income statements						
Deferred gain from hedging activities	-	-	1,192	-	-	1,192
Net income for the period	-	-	-	-	4,672	4,672
Balance as at 31 March 2007	<u>314,930</u>	<u>1,017,395</u>	<u>248</u>	<u>45,000</u>	<u>44,517</u>	<u>1,422,090</u>
Balance as at 1 January 2008	462,497	1,017,395	(3,668)	50,000	96,581	1,622,805
Unrealised items in income statements						
Deferred gain from hedging activities	-	-	7,769	-	-	7,769
Net income for the period	-	-	-	-	25,327	25,327
Balance as at 31 March 2008	<u>462,497</u>	<u>1,017,395</u>	<u>4,101</u>	<u>50,000</u>	<u>121,908</u>	<u>1,655,901</u>

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