

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 2009	31 December 2008	31 March 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		195,035	117,588	43,642	30,651
Trade accounts receivable	3				
Related parties	4	351,606	474,230	339,509	411,846
Unrelated parties		803,098	882,976	305,883	272,532
		1,154,704	1,357,206	645,392	684,378
Less: Allowance for doubtful accounts		(3,083)	(4,540)	(2,883)	(4,260)
Trade accounts receivable - net		1,151,621	1,352,666	642,509	680,118
Amounts due from and short-term loans to related parties - net	4	-	561	48,805	19,332
Inventories - net		1,231,858	1,375,078	400,278	431,241
Other current assets					
Input tax refundable		12,819	18,327	2,846	5,772
Other accounts receivable		15,158	20,466	1,187	4,369
Insurance claim receivable		92,345	113,432	-	-
Prepaid expenses		18,098	6,440	5,469	1,754
Others		22,072	36,692	12,656	14,337
Total other current assets		160,492	195,357	22,158	26,232
Total current assets		2,739,006	3,041,250	1,157,392	1,187,574
Non-current assets					
Investments in subsidiaries - net	6	-	-	920,568	920,568
Investments in associates	7	86,006	87,093	2,423	2,423
Investments in marketable securities		768	772	768	772
Deposit and advance for purchases of assets		31,304	31,304	31,304	31,304
Property, plant and equipment - net	8	6,066,524	6,186,891	1,493,225	1,539,743
Intangible assets - net	9	44,855	26,399	20,629	11,327
Deposits and others		10,135	10,932	9,696	10,474
Total non-current assets		6,239,592	6,343,391	2,478,613	2,516,611
Total assets		8,978,598	9,384,641	3,636,005	3,704,185

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 2009	31 December 2008	31 March 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	10	4,392,998	4,460,734	1,150,398	1,171,352
Trade accounts payable					
Related parties	4	47,306	49,093	397,383	410,642
Unrelated parties		628,955	817,292	138,615	202,594
Total trade accounts payable		676,261	866,385	535,998	613,236
Current portion of accounts payable under financial lease agreements		72,592	71,460	69,287	68,206
Current portion of long-term loans	11	384,058	395,131	67,887	65,539
Amounts due to and advances from related parties	4	10,287	11,301	61,343	23,385
Other current liabilities					
Other payable from purchases of equipment		91,961	116,472	7,868	20,213
Other accounts payable		255,733	306,601	48,940	75,652
Accrued expenses		77,930	54,806	40,951	23,431
Accrued interest expenses		26,617	31,709	4,102	5,313
Others		17,822	7,916	680	1,485
Total other current liabilities		470,063	517,504	102,541	126,094
Total current liabilities		6,006,259	6,322,515	1,987,454	2,067,812
Non-current liabilities					
Accounts payable under financial lease agreements -					
net of current portion		174,310	192,706	168,166	185,898
Long-term loans, net of current portion	11	606,257	559,179	120,526	35,869
Total non-current liabilities		780,567	751,885	288,692	221,767
Total liabilities		6,786,826	7,074,400	2,276,146	2,289,579

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 2009	31 December 2008	31 March 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	12				
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		(6,560)	(7,993)	-	-
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
- reserve for treasury shares	12.3	6,374	6,374	6,374	6,374
Unappropriated (deficit)		<u>434,936</u>	<u>554,311</u>	<u>(170,033)</u>	<u>(115,286)</u>
Total shareholders' equity of the company		<u>1,964,642</u>	<u>2,082,584</u>	<u>1,366,233</u>	<u>1,420,980</u>
Less: Treasury shares	12.2	<u>(6,374)</u>	<u>(6,374)</u>	<u>(6,374)</u>	<u>(6,374)</u>
Shareholders' equity of the company - net		<u>1,958,268</u>	<u>2,076,210</u>	<u>1,359,859</u>	<u>1,414,606</u>
Minority interest - equity attributable to minority shareholders of subsidiaries		<u>233,504</u>	<u>234,031</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,191,772</u>	<u>2,310,241</u>	<u>1,359,859</u>	<u>1,414,606</u>
Total liabilities and shareholders' equity		<u>8,978,598</u>	<u>9,384,641</u>	<u>3,636,005</u>	<u>3,704,185</u>
		-	-	-	-

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 2009 and 2008**

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

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income	4	1,102,845	2,173,743	477,240	809,948
Other income					
Gain on exchange rate	13	17,264	139,332	6,060	40,387
Interest income	4	7,466	7,529	7,442	7,521
Others		11,277	29,426	5,553	11,108
Total other income		36,007	176,287	19,055	59,016
Total revenues		1,138,852	2,350,030	496,295	868,964
Expenses					
Cost of sales	4	994,866	1,844,871	451,032	720,281
Selling expenses	4	89,402	205,049	36,629	74,607
Administrative expenses		71,926	95,349	34,307	28,458
Management benefit expenses		11,163	14,152	5,244	6,479
Loss from hedging activities		19,921	-	6,566	-
Total expenses		1,187,278	2,159,421	533,778	829,825
Income (loss) before share of income (loss) from investments					
in associates finance cost and corporate income tax		(48,426)	190,609	(37,483)	39,139
Share of income (loss) from investments in associates		(2,520)	1,179	-	-
Income (loss) before finance cost and corporate income tax		(50,946)	191,788	(37,483)	39,139
Finance cost		(68,811)	(71,080)	(17,264)	(13,812)
Income (loss) before corporate income tax		(119,757)	120,708	(54,747)	25,327
Corporate income tax	14	(145)	(4,094)	-	-
Net income (loss) for the period		(119,902)	116,614	(54,747)	25,327
Net income (loss) attributable to:					
Equity holders of the parent		(119,375)	110,605	(54,747)	25,327
Minority interests of the subsidiaries		(527)	6,009		
Total		(119,902)	116,614		
Earnings per share					
Basic earnings per share					
Net income attributable to equity holders of the parent (Baht)		(0.26)	0.24	(0.12)	0.05
Weighted average number of ordinary shares (shares)	12.4	456,497,369	457,925,419	456,497,369	462,497,269
Diluted earnings per share					
Net income attributable to equity holders of the parent (Baht)		(0.26)	0.24	(0.12)	0.05
Weighted average number of ordinary shares (shares)	12.4	456,497,369	457,925,419	456,497,369	462,497,269

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 2009 and 2008

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income (loss) before tax	(119,757)	120,708	(54,747)	25,327
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Share of loss (income) from investments in associates	2,520	(1,179)	-	-
Depreciation	140,542	138,485	42,333	36,508
Amortisation	1,177	1,299	154	328
Allowance for doubtful accounts - Interest income from associated company	7,383	7,445	7,383	7,445
Allowance for doubtful accounts - Trade accounts receivable	(1,457)	(344)	(1,377)	(442)
Unrealised gain on exchange rate	(1,291)	(133,910)	(11,116)	(32,638)
Loss (gain) on sales of fixed assets	3	5	(682)	(132)
Loss (gain) from write-off of fixed assets	-	(348)	-	4
Unrealized gain from hedging activities	(108,888)	-	(37,144)	-
Interest income from associated company	(7,383)	(7,445)	(7,383)	(7,445)
Allowance (reversal) for diminution in value of inventories and inventory obsolescence	(18,975)	5,391	879	298
Unrealised loss (gain) on revaluation of investments in marketable securities	4	(51)	4	(51)
Interest expenses	<u>67,853</u>	<u>69,539</u>	<u>17,037</u>	<u>13,579</u>
Income (loss) from operating activities before changes in operating assets and liabilities	(38,269)	199,595	(44,659)	42,781
Operating assets decrease (increase)				
Trade accounts receivable	208,997	(24,792)	42,712	(19,916)
Inventories	162,195	54,026	30,084	(10,028)
Other current assets	45,738	(94,442)	11,525	(42,848)
Other non-current assets	797	(7,526)	778	(22,206)
Operating liabilities increase (decrease)				
Trade accounts payable	(194,977)	11,963	(77,657)	50,688
Other current liabilities	<u>89,449</u>	<u>173,074</u>	<u>37,710</u>	<u>56,281</u>
Cash from operating activities	<u>273,930</u>	<u>311,898</u>	<u>493</u>	<u>54,752</u>
Cash paid for interest expenses	(74,047)	(71,240)	(18,810)	(13,261)
Cash paid for corporate income tax	<u>(1,849)</u>	<u>(547)</u>	<u>(212)</u>	<u>(156)</u>
Net cash from (used in) operating activities	<u>198,034</u>	<u>240,111</u>	<u>(18,529)</u>	<u>41,335</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 2009 and 2008

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from investing activities				
Proceeds from sales of equipment	2,431	338	-	380
Cash paid for purchases of equipment	(7,196)	(346,677)	(15,791)	(196,965)
Cash paid for purchases of computer software	<u>(19,633)</u>	<u>-</u>	<u>(3,571)</u>	<u>-</u>
Net cash used in investing activities	<u>(24,398)</u>	<u>(346,339)</u>	<u>(19,362)</u>	<u>(196,585)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(114,377)	162,611	(20,815)	37,614
Cash received from long-term loans	151,284	-	102,834	-
Cash paid for long-term loans	(112,294)	(151,354)	(14,486)	(19,710)
Cash received from liabilities under financial lease agreements	-	145,117	-	145,117
Cash paid for liabilities under financial lease agreements	<u>(20,802)</u>	<u>(10,564)</u>	<u>(16,651)</u>	<u>(10,438)</u>
Net cash from (used in) financing activities	<u>(96,189)</u>	<u>145,810</u>	<u>50,882</u>	<u>152,583</u>
Net increase (decrease) in cash and cash equivalents	<u>77,447</u>	<u>39,582</u>	<u>12,991</u>	<u>(2,667)</u>
Cash and cash equivalents at beginning of the period	<u>117,588</u>	<u>190,165</u>	<u>30,651</u>	<u>83,321</u>
Cash and cash equivalents at end of the period	<u><u>195,035</u></u>	<u><u>229,747</u></u>	<u><u>43,642</u></u>	<u><u>80,654</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 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements												
Shareholders' equity of the Company												
Share capital issued and fully paid-up	Share premium	Translation adjustments	Deferred gain (loss) from hedging activities	Retained earnings				Treasury shares	Total equity attributable to the company's shareholders	Company's shares held by its subsidiaries	Minority interest	Total
				Appropriated		Reserve for						
				Statutory reserve	treasury shares	Unappropriated						
Balance as at 1 January 2008	462,497	1,017,395	(10,948)	(9,209)	50,000	-	989,320	-	2,499,055	(14,810)	225,848	2,710,093
Income and expenses recognised directly in equity:												
Translation adjustments	-	-	(4,229)	-	-	-	-	-	(4,229)	-	-	(4,229)
Deferred gain from hedging activities	-	-	-	20,883	-	-	-	-	20,883	-	-	20,883
Net income and expenses recognised directly in equity	-	-	(4,229)	20,883	-	-	-	-	16,654	-	-	16,654
Net income for the period	-	-	-	-	-	-	110,605	-	110,605	-	-	110,605
Total income and expenses for the period	-	-	(4,229)	20,883	-	-	110,605	-	127,259	-	-	127,259
Minority interest	-	-	-	-	-	-	-	-	-	-	6,009	6,009
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>-</u>	<u>1,099,925</u>	<u>-</u>	<u>2,626,314</u>	<u>(14,810)</u>	<u>231,857</u>	<u>2,843,361</u>

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(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 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements												
Shareholders' equity of the Company												
Share capital issued and fully paid-up	Share premium	Translation adjustments	Deferred gain (loss) from hedging activities	Retained earnings				Total equity attributable to the company's shareholders	Company's shares held by its subsidiaries	Minority interest	Total	
				Statutory reserve	Reserve for treasury shares	Unappropriated	Treasury shares					
Balance as at 1 January 2009	462,497	1,017,395	(7,993)	-	50,000	6,374	554,311	(6,374)	2,076,210	-	234,031	2,310,241
Income recognised directly in equity:												
Translation adjustments	-	-	1,433	-	-	-	-	-	1,433	-	-	1,433
Net income and expenses recognised directly in equity	-	-	1,433	-	-	-	-	-	1,433	-	-	1,433
Net loss for the period	-	-	-	-	-	-	(119,375)	-	(119,375)	-	-	(119,375)
Total income and expenses for the period	-	-	1,433	-	-	-	(119,375)	-	(117,942)	-	-	(117,942)
Minority interest	-	-	-	-	-	-	-	-	-	-	(527)	(527)
Balance as at 31 March 2009	<u>462,497</u>	<u>1,017,395</u>	<u>(6,560)</u>	<u>-</u>	<u>50,000</u>	<u>6,374</u>	<u>434,936</u>	<u>(6,374)</u>	<u>1,958,268</u>	<u>-</u>	<u>233,504</u>	<u>2,191,772</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 2009 and 2008

(Unit: Thousand Baht)

	Separate financial statements							Total
	Share capital issued and fully paid-up	Share premium	Deferred gain (loss) from hedging activities	Retained earnings			Treasury shares	
				Appropriated		Unappropriated		
				Statutory reserve	Reserve for treasury shares			
Balance as at 1 January 2008	462,497	1,017,395	(3,668)	50,000	-	96,581	-	1,622,805
Income recognised directly in equity:								
Deferred gain from hedging activities	-	-	7,769	-	-	-	-	7,769
Income recognised directly in equity	-	-	7,769	-	-	-	-	7,769
Net income for the period	-	-	-	-	-	25,327	-	25,327
Total income and expenses for the period	-	-	7,769	-	-	25,327	-	33,096
Balance as at 31 March 2008	<u>462,497</u>	<u>1,017,395</u>	<u>4,101</u>	<u>50,000</u>	<u>-</u>	<u>121,908</u>	<u>-</u>	<u>1,655,901</u>
Balance as at 1 January 2009	462,497	1,017,395	-	50,000	6,374	(115,286)	(6,374)	1,414,606
Net loss for the period	-	-	-	-	-	(54,747)	-	(54,747)
Balance as at 31 March 2009	<u>462,497</u>	<u>1,017,395</u>	<u>-</u>	<u>50,000</u>	<u>6,374</u>	<u>(170,033)</u>	<u>(6,374)</u>	<u>1,359,859</u>

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