

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		As at 30	As at 31	As at 30	As at 31
		September 2006	December 2005	September 2006	December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		163,520	172,811	73,792	38,642
Trade accounts receivable	3				
Related parties	4	655,130	730,922	217,524	280,904
Others		1,513,893	1,281,437	421,144	422,984
		2,169,023	2,012,359	638,668	703,888
Less : Allowance for doubtful accounts		(1,034)	(497)	(1,034)	(137)
Trade accounts receivable - net		2,167,989	2,011,862	637,634	703,751
Amounts due from and short-term loans to related parties - net	4	13,816	355	13,990	4,139
Inventories - net	5	1,504,251	1,288,380	387,064	325,126
Other current assets					
Receivable from Revenue Department		19,216	7,195	2,044	1,345
Prepaid expenses		10,449	5,220	2,053	1,555
Others		21,115	9,627	8,015	1,609
Total other current assets		50,780	22,042	12,112	4,509
TOTAL CURRENT ASSETS		3,900,356	3,495,450	1,124,592	1,076,167
NON-CURRENT ASSETS					
Investments in subsidiaries and associates accounted for under equity method	6	72,138	67,917	1,549,922	1,505,379
Investments in marketable securities		1,153	1,205	1,153	1,205
Deposit and advance for purchase of assets		20,094	39,390	-	-
Property, plant and equipment - net	7	5,297,491	5,274,332	975,248	867,186
Goodwill - net		84	135	-	-
Negative goodwill - net		(11,679)	(14,375)	-	-
Deposit and others		3,324	9,052	964	1,000
TOTAL NON-CURRENT ASSETS		5,382,605	5,377,656	2,527,287	2,374,770
TOTAL ASSETS		9,282,961	8,873,106	3,651,879	3,450,937

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		THE COMPANY ONLY	
		As at 30	As at 31	As at 30	As at 31
		September 2006	December 2005	September 2006	December 2005
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		but reviewed)		but reviewed)	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	8	3,325,736	2,800,627	773,299	663,252
Trade accounts payable					
Related parties	4	75,236	98,284	317,267	241,590
Others		1,301,636	984,016	315,412	197,068
Total trade accounts payable		1,376,872	1,082,300	632,679	438,658
Current portion of long-term loans	9	815,916	736,744	82,248	58,505
Amounts due to and advances from related parties	4	4,586	8,313	8,460	5,355
Other current liabilities					
Other payable from purchases of fixed assets		37,669	57,338	10,735	2,898
Accrued expenses		166,569	136,611	51,702	44,747
Other payable		112,520	85,023	134	-
Corporate income tax payable		10,408	9,018	-	-
Accrued interest expenses		25,251	20,168	2,503	1,478
Others		7,293	6,105	1,270	1,359
Total other current liabilities		359,710	314,263	66,344	50,482
TOTAL CURRENT LIABILITIES		5,882,820	4,942,247	1,563,030	1,216,252
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	9	1,156,918	1,530,843	44,837	25,107
TOTAL NON-CURRENT LIABILITIES		1,156,918	1,530,843	44,837	25,107
TOTAL LIABILITIES		7,039,738	6,473,090	1,607,867	1,241,359

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		THE COMPANY ONLY	
		As at 30	As at 31	As at 30	As at 31
		September 2006	December 2005	September 2006	December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
Share capital	10				
Registered					
450,000,000 ordinary shares of Baht 1 each		450,000	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	314,930
Share premium		1,017,395	1,017,395	1,017,395	1,017,395
Translation adjustments		(5,331)	(393)	(5,268)	(393)
Retained earnings					
Appropriated - statutory reserve		45,000	45,000	45,000	45,000
Unappropriated		682,927	853,614	682,553	853,240
TOTAL SHAREHOLDERS' EQUITY OF THE COMPANY		2,054,921	2,230,546	2,054,610	2,230,172
COMPANY'S SHARES HELD BY ITS SUBSIDIARIES	10.2	(10,598)	(20,594)	(10,598)	(20,594)
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries		198,900	190,064	-	-
TOTAL SHAREHOLDERS' EQUITY		2,243,223	2,400,016	2,044,012	2,209,578
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,282,961	8,873,106	3,651,879	3,450,937
		0	0	0	0

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

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

		(Unit : Thousand Baht except earnings per share expressed in Baht)				
		CONSOLIDATED		THE COMPANY ONLY		
Note		2006	2005	2006	2005	
REVENUES						
	Sales	4	2,040,283	1,868,579	634,329	639,715
	Other income					
	Gain on exchange rate		818	1,352	174	-
	Interest income	4	8,199	7,550	9,164	7,550
	Others		41,599	14,534	10,835	9,258
	Total other income		50,616	23,436	20,173	16,808
	Share of profit from investments in subsidiaries and associates accounted for under equity method		4,928	6,932	491	70,013
	TOTAL REVENUES		2,095,827	1,898,947	654,993	726,536
EXPENSES						
	Cost of sales	4	1,756,036	1,461,519	573,924	529,250
	Selling and administrative expenses	4	261,348	261,609	84,121	83,131
	Directors' remuneration		-	5,101	-	2,827
	Loss on exchange rate		-	-	-	285
	TOTAL EXPENSES		2,017,384	1,728,229	658,045	615,493
EARNINGS (LOSS) BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX						
			78,443	170,718	(3,052)	111,043
INTEREST EXPENSES						
			(78,234)	(54,596)	(11,267)	(7,211)
CORPORATE INCOME TAX						
		12	(7,053)	(49)	-	-
EARNINGS (LOSS) BEFORE MINORITY INTEREST						
			(6,844)	116,073	(14,319)	103,832
MINORITY INTEREST IN NET EARNINGS						
			(7,475)	(12,241)	-	-
NET EARNINGS (LOSS) FOR THE PERIOD						
			(14,319)	103,832	(14,319)	103,832
BASIC EARNINGS PER SHARE (BAHT)						
	Net earnings (loss)		(0.05)	0.33	(0.05)	0.33
	Weighted average number of ordinary shares (shares)	10.3	313,389,900	310,415,000	313,389,900	310,415,000
DILUTED EARNINGS PER SHARE (BAHT)						
	Net earnings (loss)		(0.05)	0.33	(0.05)	0.33
	Diluted weighted average number of ordinary shares (shares)	10.3	313,389,900	310,452,290	313,389,900	310,452,290

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

(UNAUDITED BUT REVIEWED)

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

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

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
REVENUES					
Sales	4	5,527,290	4,898,543	1,831,816	1,731,351
Other income					
Gain on exchange rate		1,831	-	-	-
Interest income	4	23,893	22,493	24,933	22,409
Others		90,264	45,268	29,350	24,291
Total other income		115,988	67,761	54,283	46,700
Share of profit from investments in subsidiaries and associates					
accounted for under equity method		9,096	10,997	-	-
TOTAL REVENUES		5,652,374	4,977,301	1,886,099	1,778,051
EXPENSES					
Cost of sales	4	4,771,432	4,150,456	1,676,635	1,509,038
Selling and administrative expenses	4	789,945	721,371	258,238	237,030
Directors' remuneration		4,140	15,993	4,140	12,582
Loss on exchange rate		-	9,533	3,167	7,011
Share of loss from investments in subsidiaries and associates					
accounted for under equity method		-	-	84,835	83,355
TOTAL EXPENSES		5,565,517	4,897,353	2,027,015	1,849,016
EARNINGS (LOSS) BEFORE INTEREST EXPENSES					
AND CORPORATE INCOME TAX		86,857	79,948	(140,916)	(70,965)
INTEREST EXPENSES		(215,880)	(150,664)	(29,771)	(20,267)
CORPORATE INCOME TAX	12	(13,173)	(764)	-	(570)
LOSS BEFORE MINORITY INTEREST		(142,196)	(71,480)	(170,687)	(91,802)
MINORITY INTEREST IN NET EARNINGS		(28,491)	(20,322)	-	-
NET LOSS FOR THE PERIOD		(170,687)	(91,802)	(170,687)	(91,802)
BASIC LOSS PER SHARE (BAHT)					
Net loss		(0.54)	(0.30)	(0.54)	(0.30)
Weighted average number of ordinary shares (shares)	10.3	313,389,900	310,415,000	313,389,900	310,415,000
DILUTED LOSS PER SHARE (BAHT)					
Net loss		(0.54)	(0.30)	(0.54)	(0.30)
Diluted weighted average number of ordinary shares (shares)	10.3	313,389,900	310,451,346	313,389,900	310,451,346

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

(UNAUDITED BUT REVIEWED)

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities				
Net loss	(170,687)	(91,802)	(170,687)	(91,802)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities :-				
Share of loss (profit) from investments in subsidiaries and associates accounted for under equity method	(9,096)	(10,997)	84,835	83,355
Depreciation	398,812	377,988	86,289	86,797
Amortisation of goodwill - net	(2,645)	(2,644)	-	-
Allowance for doubtful accounts	22,395	22,388	22,395	22,388
Bad debts (reversal)	537	(40)	897	170
Unrealised loss on exchange rate	10	1,672	4,098	4,268
Gain on sales of fixed assets	(2,054)	(1,560)	(2,201)	(1,394)
Loss from write-off of fixed assets	272	241	242	163
Interest income from associated company	(22,395)	(22,388)	(22,395)	(22,388)
Loss from write-off of inventories	342	6,854	-	6,854
Provision for diminution in value of stocks and stock obsolescence	11,162	2,352	10,020	2,691
Unrealised loss (gain) from revaluation of marketable securities	52	(171)	52	(171)
Minority interest in net earnings of subsidiaries	28,491	20,322	-	-
Net earnings from operations before changes in operating assets and liabilities	255,196	302,215	13,545	90,931
Operating assets decrease (increase)				
Trade accounts receivable	(173,161)	(430,346)	58,406	(122,475)
Inventories	(227,375)	95,556	(71,958)	50,511
Other current assets	(3,287)	(14,740)	(10,296)	1,048
Non-current assets	5,728	2,407	36	-
Operating liabilities increase				
Trade accounts payable	303,292	69,481	196,525	33,291
Other current liabilities	60,997	30,403	6,994	1,487
Net cash from operating activities	221,390	54,976	193,252	54,793

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

(UNAUDITED BUT REVIEWED)

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from investing activities				
Increase in investments in subsidiaries	-	-	(250,000)	-
Dividend received from subsidiaries	-	-	125,743	-
Cash received from sales of equipment	2,733	301	6,581	6,681
Cash paid for purchases of land and equipment	(446,889)	(321,155)	(194,222)	(42,555)
Decrease in minority interest	-	(1,942)	-	-
Decrease in translation adjustments	(63)	-	-	-
Net cash used in investing activities	<u>(444,219)</u>	<u>(322,796)</u>	<u>(311,898)</u>	<u>(35,874)</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	514,810	664,666	110,479	133,800
Cash received (paid for) from long-term loans	(291,613)	(432,803)	43,317	(152,888)
Dividend paid	-	(31,120)	-	(31,493)
Dividend paid to minority shareholders of subsidiaries	(19,655)	-	-	-
Increase in the Company's shares held by its subsidiaries	(2,639)	(678)	-	-
Disposal of the Company's shares held by its subsidiaries	12,635	-	-	-
Net cash from (used in) financing activities	<u>213,538</u>	<u>200,065</u>	<u>153,796</u>	<u>(50,581)</u>
Net increase (decrease) in cash and cash equivalents	<u>(9,291)</u>	<u>(67,755)</u>	<u>35,150</u>	<u>(31,662)</u>
Cash and cash equivalents at beginning of the period	<u>172,811</u>	<u>147,510</u>	<u>38,642</u>	<u>63,696</u>
Cash and cash equivalents at end of the period	<u><u>163,520</u></u>	<u><u>79,755</u></u>	<u><u>73,792</u></u>	<u><u>32,034</u></u>
Supplement cash flows information				
Cash paid during the period for :-				
Interest expenses	215,933	149,072	30,231	19,958
Corporate income tax	21,099	15,763	581	1,068

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED							
	Share capital		Translation adjustments	Retained earnings		Company's shares held by its subsidiaries	Minority interest	Total
	issued and fully paid-up	Share premium		Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2006	314,930	1,017,395	(393)	45,000	853,614	(20,594)	190,064	2,400,016
Translation adjustments	-	-	(4,938)	-	-	-	-	(4,938)
Net loss for the period	-	-	-	-	(170,687)	-	-	(170,687)
Investment in the Company's share by its subsidiaries	-	-	-	-	-	(2,639)	-	(2,639)
Disposal of the Company's share by its subsidiaries	-	-	-	-	-	12,635	-	12,635
Minority interests	-	-	-	-	-	-	8,836	8,836
Balance as at 30 September 2006	<u>314,930</u>	<u>1,017,395</u>	<u>(5,331)</u>	<u>45,000</u>	<u>682,927</u>	<u>(10,598)</u>	<u>198,900</u>	<u>2,243,223</u>
Balance as at 1 January 2005	314,930	1,017,395	(2,129)	45,000	883,402	(19,915)	157,851	2,396,534
Translation adjustments	-	-	1,343	-	-	-	-	1,343
Net loss for the period	-	-	-	-	(91,802)	-	-	(91,802)
Dividend paid (Note 11)	-	-	-	-	(31,120)	-	-	(31,120)
Minority interests	-	-	-	-	-	-	18,380	18,380
Company's shares held by its subsidiaries	-	-	-	-	-	(679)	-	(679)
Balance as at 30 September 2005	<u>314,930</u>	<u>1,017,395</u>	<u>(786)</u>	<u>45,000</u>	<u>760,480</u>	<u>(20,594)</u>	<u>176,231</u>	<u>2,292,656</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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	THE COMPANY ONLY						
	Share capital		Translation	Retained earnings		Company's	Total
	issued and	Share premium		Appropriated -			
	fully paid-up		adjustments	statutory reserve	Unappropriated	by its subsidiaries	
Balance as at 1 January 2006	314,930	1,017,395	(393)	45,000	853,240	(20,594)	2,209,578
Translation adjustments	-	-	(4,875)	-	-	-	(4,875)
Net loss for the period	-	-	-	-	(170,687)	-	(170,687)
Investment in the Company's share by its subsidiaries	-	-	-	-	-	(2,639)	(2,639)
Disposal of the Company's share by its subsidiaries	-	-	-	-	-	12,635	12,635
Balance as at 30 September 2006	<u>314,930</u>	<u>1,017,395</u>	<u>(5,268)</u>	<u>45,000</u>	<u>682,553</u>	<u>(10,598)</u>	<u>2,044,012</u>
Balance as at 1 January 2005	314,930	1,017,395	(2,129)	45,000	883,402	(19,915)	2,238,683
Translation adjustments	-	-	1,343	-	-	-	1,343
Net loss for the period	-	-	-	-	(91,802)	-	(91,802)
Dividend paid (Note 11)	-	-	-	-	(31,493)	-	(31,493)
Company's shares held by its subsidiaries	-	-	-	-	-	(679)	(679)
Balance as at 30 September 2005	<u>314,930</u>	<u>1,017,395</u>	<u>(786)</u>	<u>45,000</u>	<u>760,107</u>	<u>(20,594)</u>	<u>2,116,052</u>

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