

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> 30 September 2007	31 December 2006	30 September 2007	31 December 2006
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	164,700	147,599	58,165	82,312
Trade accounts receivable	4			
Related parties	5	629,981	550,907	247,905
Other companies		1,446,146	435,061	398,140
		2,076,127	682,966	614,237
Less : Allowance for doubtful accounts		(2,158)	(2,158)	(1,033)
Trade accounts receivable - net		2,073,969	680,808	613,204
Amounts due from and short-term loans				
to related parties - net	5	2,284	321	5,952
Inventories - net	6	1,679,273	488,607	359,902
Other current assets				
Receivable from Revenue Department		14,223	1,192	3,913
Prepaid expenses		12,614	6,386	1,455
Others		78,450	8,888	6,586
Total other current assets		105,287	16,466	11,954
TOTAL CURRENT ASSETS		4,025,513	1,244,367	1,073,324
NON-CURRENT ASSETS				
Investments in subsidiaries	7	-	919,098	916,938
Investments in associates	7	82,360	2,423	2,423
Investments in marketable securities		1,392	1,392	1,057
Deposit and advance for purchase of assets		-	-	-
Property, plant and equipment - net	8	5,558,552	1,162,691	1,022,292
Goodwill - net		-	-	-
Negative goodwill - net		(8,069)	-	-
Deposits and others		7,856	7,736	1,634
TOTAL NON-CURRENT ASSETS		5,642,091	2,093,340	1,944,344
TOTAL ASSETS		9,667,604	3,337,707	3,017,668

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	
	<u>Note</u> 30 September 2007	31 December 2006	30 September 2007	31 December 2006	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	9	3,635,325	3,420,514	726,165	821,647
Trade accounts payable					
Related parties	5	79,611	67,794	357,523	284,466
Other companies		1,399,952	1,151,868	353,241	258,874
Total trade accounts payable		1,479,563	1,219,662	710,764	543,340
Current portion of long-term loans	10	591,797	696,813	66,883	74,649
Amounts due to and advances from related parties	5	7,531	10,812	29,074	13,124
Other current liabilities					
Other payable from purchases of equipment		92,988	166,516	40,273	44,416
Other payable		106,986	84,239	-	2,029
Accrued expenses		173,436	163,948	60,540	49,428
Accrued interest expenses		27,539	28,529	1,487	3,044
Corporate income tax payable		3,896	5,948	-	-
Others		7,248	6,263	2,021	1,520
Total other current liabilities		412,093	455,443	104,321	100,437
TOTAL CURRENT LIABILITIES		6,126,309	5,803,244	1,637,207	1,553,197
NON-CURRENT LIABILITIES					
Accounts payable under hire purchase agreements		42,420	-	41,980	-
Long-term loans, net of current portion	10	852,970	1,029,054	56,936	48,245
TOTAL NON-CURRENT LIABILITIES		895,390	1,029,054	98,916	48,245
TOTAL LIABILITIES		7,021,699	6,832,298	1,736,123	1,601,442

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	30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 September 2007 (Unaudited but reviewed)
SHAREHOLDERS' EQUITY				
Share capital	11			
Registered				
500,000,000 ordinary shares of Baht 1 each				
(31 December 2006 : 450,000,000 ordinary shares of Baht 1 each)		500,000	450,000	500,000
Issued and fully paid-up				
462,497,269 ordinary shares of Baht 1 each				
(31 December 2006 : 314,930,000 ordinary shares of Baht 1 each)		462,497	314,930	462,497
Share premium		1,017,395	1,017,395	1,017,395
Translation adjustments		(10,453)	(7,401)	-
Deferred gain (loss) from hedging activities		6,278	(4,033)	1,976
Retained earnings				
Appropriated - statutory reserve		45,000	45,000	45,000
Unappropriated		917,522	736,893	74,716
TOTAL SHAREHOLDERS' EQUITY OF THE COMPANY		2,438,239	2,102,784	1,601,584
COMPANY'S SHARES HELD BY ITS SUBSIDIARIES	11.4	(15,219)	(22,744)	-
MINORITY INTEREST - equity attributable to minority				
shareholders of subsidiaries		222,885	203,235	-
TOTAL SHAREHOLDERS' EQUITY		2,645,905	2,283,275	1,601,584
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,667,604	9,115,573	3,337,707
		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

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 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)
REVENUES					
Sales	5	2,115,925	2,044,509	748,520	634,329
Other income					
Gain on exchange rate		20,361	818	6,520	174
Interest income	5	7,961	8,199	7,794	9,164
Others		56,982	37,373	14,137	10,835
Total other income		85,304	46,390	28,451	20,173
Share of income from investments in associates		3,103	4,928	-	-
TOTAL REVENUES		2,204,332	2,095,827	776,971	654,502
EXPENSES					
Cost of sales	5	1,786,119	1,756,036	652,739	573,924
Selling and administrative expenses	5	275,160	261,348	97,506	84,121
Impairment of investments in subsidiaries		-	-	-	42,684
TOTAL EXPENSES		2,061,279	2,017,384	750,245	700,729
INCOME (LOSS) BEFORE INTEREST EXPENSES					
AND CORPORATE INCOME TAX		143,053	78,443	26,726	(46,227)
INTEREST EXPENSES		(69,770)	(78,234)	(10,597)	(11,267)
CORPORATE INCOME TAX	13	-	(7,053)	-	-
INCOME (LOSS) AFTER CORPORATE INCOME TAX		73,283	(6,844)	16,129	(57,494)
NET INCOME ATTRIBUTABLE TO MINORITY INTEREST					
IN SUBSIDIARIES		(7,645)	(7,475)	-	-
NET INCOME (LOSS) FOR THE PERIOD		65,638	(14,319)	16,129	(57,494)
BASIC EARNINGS PER SHARE (BAHT)					
Net income (loss)		0.14	(0.05)	0.03	(0.18)
Weighted average number of ordinary shares (shares)	11.5	457,825,419	313,389,900	462,497,269	314,930,000

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

(UNAUDITED BUT REVIEWED)

KCE ELECTRONICS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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)
REVENUES					
Sales	5	6,220,865	5,540,864	2,132,413	1,831,816
Other income					
Gain on exchange rate		21,173	1,831	10,249	-
Interest income	5	23,789	23,893	23,413	24,933
Others		118,994	76,690	36,258	29,350
Total other income		163,956	102,414	69,920	54,283
Share of income from investments in associates		4,381	9,096	-	-
TOTAL REVENUES		6,389,202	5,652,374	2,202,333	1,886,099
EXPENSES					
Cost of sales	5	5,126,289	4,771,432	1,825,856	1,676,635
Selling and administrative expenses	5	838,841	794,085	307,481	262,378
Impairment of investments in subsidiaries		-	-	-	189,268
Loss on exchange rate		-	-	-	3,167
TOTAL EXPENSES		5,965,130	5,565,517	2,133,337	2,131,448
INCOME (LOSS) BEFORE INTEREST EXPENSES					
AND CORPORATE INCOME TAX		424,072	86,857	68,996	(245,349)
INTEREST EXPENSES		(216,676)	(215,880)	(34,125)	(29,771)
CORPORATE INCOME TAX	13	(8,638)	(13,173)	-	-
INCOME (LOSS) AFTER CORPORATE INCOME TAX		198,758	(142,196)	34,871	(275,120)
NET INCOME ATTRIBUTABLE TO MINORITY INTEREST					
IN SUBSIDIARIES		(18,129)	(28,491)	-	-
NET INCOME (LOSS) FOR THE PERIOD		180,629	(170,687)	34,871	(275,120)
BASIC EARNINGS PER SHARE (BAHT)					
Net income (loss)		0.49	(0.54)	0.09	(0.87)
Weighted average number of ordinary shares (shares)	11.5	364,852,634	313,389,900	369,524,484	314,930,000

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 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)
Cash flows from operating activities				
Net income (loss)	180,629	(170,687)	34,871	(275,120)
Adjustments to reconcile net income (loss) to net cash provided				
by (used in) operating activities :-				
Share of income from investments in associates				
accounted for under equity method	(4,381)	(9,096)	-	-
Depreciation	406,610	398,812	89,220	86,289
Amortisation of goodwill - net	(2,644)	(2,645)	-	-
Allowance for doubtful accounts	22,396	22,395	22,396	22,395
Bad debts	1,125	537	1,125	897
Unrealised loss (gain) on exchange rate	(305)	10	5,415	4,098
Gain on sales of fixed assets	(510)	(2,054)	(1,432)	(2,201)
Loss from write-off of fixed assets	179	272	46	242
Interest income from associated company	(22,396)	(22,395)	(22,396)	(22,395)
Loss from write-off of inventories	2,797	342	-	-
Allowance for diminution in value of inventories and				
inventory obsolescence	17,355	11,162	3,252	10,020
Allowance for diminution in value of investments in subsidiaries	-	-	-	189,268
Unrealised loss (gain) from revaluation of investments				
in marketable securities	(335)	52	(335)	52
Net income attributable to minority interests	18,129	28,491	-	-
Net income from operations before changes in				
operating assets and liabilities	618,649	255,196	132,162	13,545
Operating assets decrease (increase)				
Trade accounts receivable	(53,147)	(173,161)	(65,675)	58,406
Inventories	(328,870)	(227,375)	(131,957)	(71,958)
Other current assets	(67,902)	(3,287)	(3,881)	(10,296)
Non-current assets	(5,997)	5,728	(6,101)	36
Operating liabilities increase				
Trade accounts payable	258,436	303,292	164,874	196,525
Other current liabilities	35,187	60,997	12,099	6,994
Net cash from operating activities	<u>456,356</u>	<u>221,390</u>	<u>101,521</u>	<u>193,252</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 CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
				(Restated)
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	(2,160)	(250,000)
Dividend received from subsidiaries	-	-	-	125,743
Proceeds from sales of equipment	844	2,733	1,297	6,581
Cash paid for purchases of land and equipment	(468,413)	(446,889)	(172,037)	(194,222)
Increase in minority interest	1,521	-	-	-
Increase (decrease) in translation adjustments	85	(63)	-	-
Net cash used in investing activities	(465,963)	(444,219)	(172,900)	(311,898)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	161,884	514,810	(95,470)	110,479
Cash received from long-term loans	259,762	-	52,863	90,449
Cash paid for long-term loans	(550,030)	(291,613)	(57,728)	(47,132)
Cash received from share capital increase	147,567	-	147,567	-
Dividend paid to minority shareholders of subsidiaries	-	(19,655)	-	-
Investment in the Company's shares held by its subsidiaries	(2,452)	(2,639)	-	-
Disposal of the Company's shares held by its subsidiaries	9,977	12,635	-	-
Net cash from financing activities	26,708	213,538	47,232	153,796
Net increase (decrease) in cash and cash equivalents	17,101	(9,291)	(24,147)	35,150
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	164,700	163,520	58,165	73,792
Supplement cash flows information				
Cash paid during the period for :-				
Interest expenses	224,739	215,933	39,477	30,231
Corporate income tax	20,896	21,099	617	581

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 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			
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)	-	28,491	(142,196)
Investment in the Company's shares held by its subsidiaries	-	-	-	-	-	-	(2,639)	-	(2,639)
Disposal of the Company's shares held by its subsidiaries	-	-	-	-	-	-	12,635	-	12,635
Minority interest	-	-	-	-	-	-	-	(19,655)	(19,655)
Balance as at 30 September 2006	<u>314,930</u>	<u>1,017,395</u>	<u>(5,331)</u>	<u>-</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 2007	314,930	1,017,395	(7,401)	(4,033)	45,000	736,893	(22,744)	203,235	2,283,275
Ordinary shares issued during the period	147,567	-	-	-	-	-	-	-	147,567
Translation adjustments	-	-	(3,052)	-	-	-	-	-	(3,052)
Net income for the period	-	-	-	-	-	180,629	-	18,129	198,758
Deferred gain from hedging activities	-	-	-	10,311	-	-	-	-	10,311
Investment in the Company's shares held by its subsidiaries	-	-	-	-	-	-	(2,452)	-	(2,452)
Disposal of the Company's shares held by its subsidiaries	-	-	-	-	-	-	9,977	-	9,977
Minority interest	-	-	-	-	-	-	-	1,521	1,521
Balance as at 30 September 2007	<u>462,497</u>	<u>1,017,395</u>	<u>(10,453)</u>	<u>6,278</u>	<u>45,000</u>	<u>917,522</u>	<u>(15,219)</u>	<u>222,885</u>	<u>2,645,905</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 2007 AND 2006

(Unit : Thousand Baht)

	Separate 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	Total
Balance as at 1 January 2006 - as previously reported	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	-	-	(684,594)	20,594	(663,607)
Balance as at 1 January 2006 - as restated	314,930	1,017,395	-	-	45,000	168,646	-	1,545,971
Net loss for the period (restated)	-	-	-	-	-	(275,120)	-	(275,120)
Balance as at 30 September 2006 - as restated	<u>314,930</u>	<u>1,017,395</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>(106,474)</u>	<u>-</u>	<u>1,270,851</u>
Balance as at 1 January 2007 - as previously reported	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	-	-	(697,048)	22,744	(666,988)
Balance as at 1 January 2007 - as restated	314,930	1,017,395	-	(944)	45,000	39,845	-	1,416,226
Ordinary shares issued during the period	147,567	-	-	-	-	-	-	147,567
Net income for the period	-	-	-	-	-	34,871	-	34,871
Deferred gain from hedging activities	-	-	-	2,920	-	-	-	2,920
Balance as at 30 September 2007	<u>462,497</u>	<u>1,017,395</u>	<u>-</u>	<u>1,976</u>	<u>45,000</u>	<u>74,716</u>	<u>-</u>	<u>1,601,584</u>

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