

**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	
	Note	30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		259,033	190,165	95,547	83,321
Trade accounts receivable	3				
Related parties	4	550,264	526,672	332,339	276,461
Other companies		1,362,632	1,473,872	393,780	436,452
		1,912,896	2,000,544	726,119	712,913
Less: Allowance for doubtful accounts		(1,041)	(2,420)	(850)	(2,358)
Trade accounts receivable - net		1,911,855	1,998,124	725,269	710,555
Amounts due from and short-term loans to related parties - net	4	813	-	27,788	17
Inventories - net		1,804,374	1,711,323	544,029	479,003
Other current assets					
Revenue department accounts receivable		18,792	5,531	6,455	1,267
Other accounts receivable		27,332	48,033	7,996	4,683
Accrued income		8,165	15,872	3,035	6,822
Insurance claim receivable		148,950	-	-	-
Prepaid expenses		11,624	7,714	3,298	2,799
Others		27,577	32,627	11,251	3,438
Total other current assets		242,440	109,777	32,035	19,009
<b>Total current assets</b>		<b>4,218,515</b>	<b>4,009,389</b>	<b>1,424,668</b>	<b>1,291,905</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	920,568	919,098
Investments in associates	7	84,580	82,173	2,423	2,423
Investments in marketable securities		1,064	1,494	1,064	1,494
Deposit and advance for purchases of assets		30,196	12,171	27,102	11,030
Property, plant and equipment - net	8	6,184,655	5,764,365	1,537,560	1,379,025
Computer software - net	9	22,626	10,233	9,415	1,449
Negative goodwill - net		(7,187)	(7,187)	-	-
Deposits and others		12,222	4,327	10,861	3,926
<b>Total non-current assets</b>		<b>6,328,156</b>	<b>5,867,576</b>	<b>2,508,993</b>	<b>2,318,445</b>
<b>Total assets</b>		<b>10,546,671</b>	<b>9,876,965</b>	<b>3,933,661</b>	<b>3,610,350</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
		30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	10	4,440,330	3,724,087	1,122,953	869,104
Trade accounts payable					
Related parties	4	75,482	51,264	417,385	352,812
Other companies		1,539,410	1,370,045	398,665	319,065
Total trade accounts payable		1,614,892	1,421,309	816,050	671,877
Current portion of liabilities under financial lease agreements		61,490	23,250	58,166	22,980
Current portion of long-term loans	11	416,410	573,383	57,447	63,797
Amounts due to and advances from related parties	4	11,457	9,155	9,303	7,861
Other current liabilities					
Other payable from purchases of equipment		156,713	206,638	56,591	153,109
Other accounts payable		111,660	91,443	-	-
Accrued expenses		223,615	184,512	66,112	65,936
Accrued interest expenses		27,439	29,745	4,339	3,053
Others		33,912	16,859	3,416	4,070
Total other current liabilities		553,339	529,197	130,458	226,168
<b>Total current liabilities</b>		<b>7,097,918</b>	<b>6,280,381</b>	<b>2,194,377</b>	<b>1,861,787</b>
<b>Non-current liabilities</b>					
Liabilities under financial lease agreements,					
net of current portion		178,133	82,378	170,375	82,378
Long-term loans, net of current portion	11	538,404	804,113	-	43,380
<b>Total non-current liabilities</b>		<b>716,537</b>	<b>886,491</b>	<b>170,375</b>	<b>125,758</b>
<b>Total liabilities</b>		<b>7,814,455</b>	<b>7,166,872</b>	<b>2,364,752</b>	<b>1,987,545</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	30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 September 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	
<b>Shareholders' equity</b>						
Share capital						
Registered						
		500,000,000 ordinary shares of Baht 1 each	500,000	500,000	500,000	500,000
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	(9,927)	(10,948)	-	-
		Deferred loss from hedging activities	-	(9,209)	-	(3,668)
Retained earnings						
		Appropriated - statutory reserve	50,000	50,000	50,000	50,000
		Unappropriated	972,294	989,320	39,017	96,581
		<b>Total shareholders' equity of the company</b>	<b>2,492,259</b>	<b>2,499,055</b>	<b>1,568,909</b>	<b>1,622,805</b>
	12.2	Company's shares held by its subsidiary	(1,756)	(14,810)	-	-
Minority interest - equity attributable to minority shareholders of subsidiaries						
			241,713	225,848	-	-
		<b>Total shareholders' equity</b>	<b>2,732,216</b>	<b>2,710,093</b>	<b>1,568,909</b>	<b>1,622,805</b>
		<b>Total liabilities and shareholders' equity</b>	<b>10,546,671</b>	<b>9,876,965</b>	<b>3,933,661</b>	<b>3,610,350</b>
			-	-	-	-

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 2008 and 2007**

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

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Revenues</b>					
Sales and service income	4	2,059,604	2,115,925	772,815	748,520
Other income					
Interest income	4	7,625	7,961	7,616	7,794
Gain on exchange rate	13	-	20,361	-	6,520
Others		131,328	56,982	26,048	14,137
Total other income		138,953	85,304	33,664	28,451
Share of income from investments in associates	7	418	3,103	-	-
<b>Total revenues</b>		<b>2,198,975</b>	<b>2,204,332</b>	<b>806,479</b>	<b>776,971</b>
<b>Expenses</b>					
Cost of sales	4	1,773,334	1,786,119	688,728	652,739
Selling and administrative expenses	4	273,319	275,160	96,729	97,506
Loss on exchange rate	13	16,337	-	5,452	-
Loss from hedging activities		51,274	-	10,846	-
<b>Total expenses</b>		<b>2,114,264</b>	<b>2,061,279</b>	<b>801,755</b>	<b>750,245</b>
<b>Income before interest expenses and corporate income tax</b>		<b>84,711</b>	<b>143,053</b>	<b>4,724</b>	<b>26,726</b>
Interest expenses		(68,754)	(69,770)	(14,910)	(10,597)
Corporate income tax	14	(638)	-	-	-
Net income (loss) for the period		<b>15,319</b>	<b>73,283</b>	<b>(10,186)</b>	<b>16,129</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		10,328	65,638	(10,186)	16,129
Minority interests of the subsidiaries		4,991	7,645		
Total		<b>15,319</b>	<b>73,283</b>		
<b>Earnings per share</b>					
Basic earnings per share					
Net income ((loss) attributable to equity holders of the parent (Baht)		0.02	0.14	(0.02)	0.03
Weighted average number of ordinary shares (shares)	12.3	462,107,569	457,825,419	462,497,269	462,497,269
Diluted earnings per share					
Net income (loss) attributable to equity holders of the parent (Baht)		0.02	0.14	(0.02)	0.03
Weighted average number of ordinary shares (shares)	12.3	462,107,569	457,825,419	462,497,269	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****Income statements****For the nine-month periods ended 30 September 2008 and 2007**

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

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Revenues</b>					
Sales and service income	4	6,255,017	6,220,865	2,393,164	2,132,413
Other income					
Interest income	4	22,907	23,789	22,673	23,413
Gain on exchange rate	13	12,884	21,173	-	10,249
Others		195,179	118,994	49,141	36,258
Total other income		230,970	163,956	71,814	69,920
Share of income from investments in associates	7	1,386	4,381	-	-
<b>Total revenues</b>		<b>6,487,373</b>	<b>6,389,202</b>	<b>2,464,978</b>	<b>2,202,333</b>
<b>Expenses</b>					
Cost of sales	4	5,319,531	5,126,289	2,113,868	1,825,856
Selling and administrative expenses	4	897,363	838,841	320,644	307,481
Loss on exchange rate	13	-	-	4,384	-
Loss from hedging activities		27,238	-	4,536	-
<b>Total expenses</b>		<b>6,244,132</b>	<b>5,965,130</b>	<b>2,443,432</b>	<b>2,133,337</b>
<b>Income before interest expenses and corporate income tax</b>		<b>243,241</b>	<b>424,072</b>	<b>21,546</b>	<b>68,996</b>
Interest expenses		(205,259)	(216,676)	(42,110)	(34,125)
Corporate income tax	14	(4,038)	(8,638)	-	-
<b>Net income (loss) for the period</b>		<b>33,944</b>	<b>198,758</b>	<b>(20,564)</b>	<b>34,871</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		19,627	180,629	(20,564)	34,871
Minority interests of the subsidiaries		14,317	18,129		
Total		33,944	198,758		
<b>Earnings per share</b>					
Basic earnings per share					
Net income (loss) attributable to equity holders of the parent (Baht)		0.04	0.50	(0.04)	0.09
Weighted average number of ordinary shares (shares)	12.3	462,107,569	364,852,634	462,497,269	369,524,484
Diluted earnings per share					
Net income (loss) attributable to equity holders of the parent (Baht)		0.04	0.50	(0.04)	0.09
Weighted average number of ordinary shares (shares)	12.3	462,107,569	364,852,634	462,497,269	369,524,484

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 nine-month periods ended 30 September 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>				
Net income (loss) before tax	37,982	207,396	(20,564)	34,871
<b>Adjustments to reconcile net income (loss) before tax to net cash provided by (used in) operating activities:</b>				
Share of income from investments in associates	(1,386)	(4,381)	-	-
Depreciation	410,381	402,672	116,905	88,244
Amortisation	3,729	3,938	958	976
Amortisation of goodwill	-	(2,644)	-	-
Allowance for doubtful accounts - Interest income from associated company	22,416	22,396	22,416	22,396
Allowance for doubtful accounts (Reversal)	(1,379)	1,125	(1,508)	1,125
Unrealised loss (gain) on exchange rate	65,268	(305)	11,090	5,415
Unrealised loss (gain) from hedging activities	(17,386)	-	8,839	-
Gain on sales of fixed assets	(3,193)	(510)	(948)	(1,432)
Loss from write-off of fixed assets	1,765	179	2,122	46
Interest income from associated company	(22,416)	(22,396)	(22,416)	(22,396)
Loss from write-off of inventories	321	2,797	-	-
Allowance for diminution in value of inventories and inventory obsolescence	24,381	17,355	2,150	3,252
Unrealised loss (gain) on revaluation of investments in marketable securities	430	(335)	430	(335)
Interest expenses	205,259	216,676	42,110	34,125
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>726,172</b>	<b>843,963</b>	<b>161,584</b>	<b>166,287</b>
Operating assets decrease (increase)				
Trade accounts receivable	73,526	(53,147)	(14,456)	(65,675)
Inventories	(117,753)	(328,870)	(67,176)	(131,957)
Other current assets	(114,250)	(57,696)	(10,879)	(3,264)
Other non-current assets	(8,013)	(5,997)	(23,125)	(6,101)
Operating liabilities increase (decrease)				
Trade accounts payable	178,491	258,436	131,092	164,874
Other current liabilities	88,564	45,302	(3,703)	17,451
Cash from operating activities	826,737	701,991	173,337	141,615
Cash paid for interest expenses	(210,183)	(224,739)	(41,745)	(39,477)
Cash paid for corporate income tax	(8,076)	(20,896)	(563)	(617)
<b>Net cash from operating activities</b>	<b>608,478</b>	<b>456,356</b>	<b>131,029</b>	<b>101,521</b>

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 nine-month periods ended 30 September 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales of equipment	9,912	844	12,283	1,297
Cash paid for purchase of equipment	(646,878)	(468,413)	(268,428)	(172,037)
Cash paid for purchase of computer software	(16,122)	-	(8,924)	-
Increase in investment in subsidiaries	-	-	(1,470)	(2,160)
Increase in minority interest	1,530	1,521	-	-
Translation adjustments	-	85	-	-
<b>Net cash used in investing activities</b>	<b>(651,558)</b>	<b>(465,963)</b>	<b>(266,539)</b>	<b>(172,900)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	575,554	161,884	251,150	(95,470)
Cash received from liabilities under financial lease agreement	160,715	-	160,715	-
Cash paid for liabilities under financial lease agreement	(178,233)	-	(177,809)	-
Cash received from long-term loans	21,742	259,762	-	52,863
Cash paid for long-term loans	(444,249)	(550,030)	(49,320)	(57,728)
Cash received from capital increase	-	147,567	-	147,567
Cash paid for dividend	(36,635)	-	(37,000)	-
Investment in the Company's shares held by its subsidiaries	-	(2,452)	-	-
Disposal of the Company's shares held by its subsidiaries	13,054	9,977	-	-
<b>Net cash from financing activities</b>	<b>111,948</b>	<b>26,708</b>	<b>147,736</b>	<b>47,232</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>68,868</b>	<b>17,101</b>	<b>12,226</b>	<b>(24,147)</b>
Cash and cash equivalents at beginning of the period	190,165	147,599	83,321	82,312
<b>Cash and cash equivalents at end of the period</b>	<b>259,033</b>	<b>164,700</b>	<b>95,547</b>	<b>58,165</b>

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 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements								
	Share capital		Deferred	Retained earnings		Company's	Minority	Total	
	issued and fully paid-up	Share premium	Translation adjustments	gain (loss) from hedging activities	Appropriated - statutory reserve	Unappropriated	shares held by its subsidiaries		interest
<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
Ordinary shares issued during the period	147,567	-	-	-	-	-	-	-	147,567
Unrealised items in income statements									
Translation adjustments	-	-	(3,052)	-	-	-	-	-	(3,052)
Deferred gain from hedging activities	-	-	-	10,311	-	-	-	-	10,311
Increase 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
Net income for the period	-	-	-	-	-	180,629	-	18,129	198,758
<b>Balance as at 30 September 2007</b>	<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 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements (continued)								
	Share capital		Deferred	Retained earnings		Company's	Minority	Total	
	issued and	Translation	gain (loss) from	Appropriated -	shares held	Minority			
fully paid-up	Share premium	adjustments	hedging activities	statutory reserve	Unappropriated	by its subsidiaries	interest		
<b>Balance as at 1 January 2008</b>	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	-	-	1,021	-	-	-	-	-	1,021
Deferred gain from hedging activities	-	-	-	9,209	-	-	-	-	9,209
Disposal of the Company's shares held									
by its subsidiaries	-	-	-	-	-	-	13,054	-	13,054
Minority interest	-	-	-	-	-	-	-	1,530	1,530
Dividend paid (Note 16)	-	-	-	-	-	(36,653)	-	18	(36,635)
Net income for the period	-	-	-	-	-	19,627	-	14,317	33,944
<b>Balance as at 30 September 2008</b>	<u>462,497</u>	<u>1,017,395</u>	<u>(9,927)</u>	<u>-</u>	<u>50,000</u>	<u>972,294</u>	<u>(1,756)</u>	<u>241,713</u>	<u>2,732,216</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 2008 and 2007**

(Unit: Thousand Baht)

	Separate financial statements					Total
	Share capital issued and fully paid-up	Share premium	Deferred gain (loss) from hedging activities	Retained earnings Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2007</b>	314,930	1,017,395	(944)	45,000	39,845	1,416,226
Ordinary shares issued during the period	147,567	-	-	-	-	147,567
Unrealised items in income statements						
Deferred gain from hedging activities	-	-	2,920	-	-	2,920
Net income for the period	-	-	-	-	34,871	34,871
<b>Balance as at 30 September 2007</b>	<u>462,497</u>	<u>1,017,395</u>	<u>1,976</u>	<u>45,000</u>	<u>74,716</u>	<u>1,601,584</u>
<b>Balance as at 1 January 2008</b>	462,497	1,017,395	(3,668)	50,000	96,581	1,622,805
Unrealised items in income statements						
Deferred gain from hedging activities	-	-	3,668	-	-	3,668
Dividend paid (Note 16)	-	-	-	-	(37,000)	(37,000)
Net loss for the period	-	-	-	-	(20,564)	(20,564)
<b>Balance as at 30 September 2008</b>	<u>462,497</u>	<u>1,017,395</u>	<u>-</u>	<u>50,000</u>	<u>39,017</u>	<u>1,568,909</u>

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