

KCE Electronics Public Company Limited and its subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2015 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statement, and were approved and authorised for issue by the Board of Directors on 10 November 2015.

1 General information

KCE Electronics Public Company Limited (“the Company”) was incorporated as a limited company under Thai law and was transformed to be a public limited company under the Public Limited Companies Act on 21 December 1992. The Company has its registered office at No. 72-72/1-3 Soi Chalongkrung 31, Kwang Lumplatew, Khet Lat Krabang, Bangkok.

The Company’s major shareholders during the financial period were Ongkosit family (34% shareholding).

The principal activities of the Company are the manufacture and distribution of electric printed circuit board products. Details of the Company’s subsidiaries as at 30 September 2015 and 31 December 2014 are given in notes 4 and 7.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2014) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2014. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2014 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group except as disclosed in note 3.

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

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(c) *Judgments and estimates*

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2014.

3 Changes in accounting policies

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has adopted the new TFRS 13 *Fair Value Measurement* having an effect only on the disclosures in the Group's financial statements.

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Some of these disclosures are specifically required in interim financial statements; accordingly, the Group has included additional disclosures in this regard.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associates entities are described in notes 6 and 7. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Subsidiaries	
Sales of goods	Market prices and prices per job order for each product which are agreed between the parties
Rendering of service	Market prices and prices per job order for each product which are agreed between the parties
Other incomes and other expenses	Prices agreed between the parties
Sales of property, plant and equipment	Net book value plus margin and prices agreed between the parties
Purchase of goods	Market prices and prices per job order for each product which are agreed between the parties
Commission expense	At the rate agreed between the parties which is general rate for the same business
Purchase of property, plant and equipment	Net book value plus margin and prices agreed between the parties
Interest on loan	At the rate agreed between the parties which specified in the promissory note
Dividend income	As announced in the minute of shareholders' meeting
Associates	
Sales of goods	Market prices at which similar quality products are sold under same conditions
Other incomes and other expenses	Prices agreed between the parties
Purchase of raw materials	Market prices at which similar quality products are purchased under same conditions
Commission expense	At the rate agreed between the parties which is general rate for the same business
Purchase of property, plant and equipment	Net book value plus margin and prices agreed between the parties
Dividend income	As announced in the minute of shareholders' meeting

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Significant transactions for the three-month and nine-month periods ended 30 September 2015 and 2014 with related parties were as follows:

<i>Three-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiaries				
Sale of goods	-	-	47	24
Rendering of service	-	-	5	5
Other income	-	-	4	7
Purchases of goods	-	-	409	323
Purchases of property, plant and equipment	-	-	3	2
Dividend income	-	-	280	189
Commission expense	-	-	11	-
Other expenses	-	-	3	1
Associates				
Sales of goods	563	323	216	225
Purchase of raw material	109	98	59	43
Purchases of property, plant and equipment	2	1	2	1
Commission expense	2	54	-	9
Other expenses	3	3	3	2
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	24	22	12	9
Share-based payments	1	29	-	20
Retirement benefits	-	2	-	1
Total key management personnel compensation	<u>25</u>	<u>53</u>	<u>12</u>	<u>30</u>

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<i>Nine-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiaries				
Sale of goods	-	-	191	76
Rendering of service	-	-	17	12
Other income	-	-	11	21
Sales of property, plant and equipment	-	-	-	17
Purchases of goods	-	-	1,171	992
Purchases of property, plant and equipment	-	-	9	41
Dividend income	-	-	649	406
Commission expense	-	-	31	-
Other expenses	-	-	10	9
Associates				
Sales of goods	1,512	1,220	619	595
Purchase of raw material	339	300	175	136
Purchases of property, plant and equipment	13	2	13	2
Dividend income	10	-	10	4
Commission expense	2	114	-	27
Other expenses	6	6	4	4
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	81	71	34	28
Share-based payments	5	42	1	28
Retirement benefits	1	2	1	1
Total key management personnel Compensation	<u>87</u>	<u>115</u>	<u>36</u>	<u>57</u>

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Balances as at 30 September 2015 and 31 December 2014 with related parties were as follows:

	Consolidated		Separate			
	financial statements		financial statements			
	30	31	30	31		
	September	December	September	December		
	2015	2014	2015	2014		
	<i>(in thousand Baht)</i>					
Trade receivables						
- related parties						
Subsidiaries						
KCE Technology Co., Ltd.	-	-	36,485	6,048		
K.C.E. International Co., Ltd.	-	-	10,811	17,593		
KCE (Thailand) Co., Ltd.	-	-	3,314	9,073		
Thai Laminate Manufacturer Co., Ltd.	-	-	92	710		
KCE Singapore Pte. Ltd.	-	-	11,086	10,976		
Associates						
KCE America, Inc.	911,052	658,604	390,881	316,332		
KCE Taiwan Co., Ltd.	-	26	-	-		
Total	911,052	658,630	452,669	360,732		
	Consolidated		Separate			
	financial statements		financial statements			
	30	31	30	31		
	September	December	September	December		
	2015	2014	2015	2014		
	<i>(in thousand Baht)</i>					
Other receivables						
- related parties						
Subsidiaries						
KCE Technology Co., Ltd.	-	-	362	10,753		
Chemtronic Technology (Thailand) Co., Ltd.	-	-	2,659	2,696		
K.C.E. International Co., Ltd.	-	-	9	2,015		
KCE (Thailand) Co., Ltd.	-	-	5	5		
Thai Laminate Manufacturer Co., Ltd.	-	-	897	533		
Associates						
KCE Taiwan Co., Ltd.	-	103	-	-		
Total	-	103	3,932	16,002		
	Interest		Consolidated		Separate	
	rate		financial statements		financial statements	
	2015	2014	30	31	30	31
			September	December	September	December
			2015	2014	2015	2014
	<i>(% per annum)</i>					
	<i>(in thousand Baht)</i>					
Short-term loan						
- related parties						
Subsidiaries						
K.C.E. International Co., Ltd.	2.65-2.70	-	-	-	100,000	-
KCE (Thailand) Co., Ltd.	1.25	-	-	-	30,000	-
Total			-	-	130,000	-

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	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trade payables				
<i>- related parties</i>				
Subsidiaries				
Thai Laminate Manufacturer Co., Ltd.	-	-	496,333	305,806
K.C.E. International Co., Ltd.	-	-	12,702	22,581
KCE Technology Co., Ltd.	-	-	116,011	131,798
Chemtronic Chemical Co., Ltd.	-	-	10,249	10,134
KCE Singapore Pte., Ltd.	-	-	23,015	20,291
Associates				
KCE Taiwan Co., Ltd	86,690	70,865	46,684	30,331
KCE America, Inc.	901	-	74	-
Total	87,591	70,865	705,068	520,941
Other payables for purchase of				
<i>machineries and equipment</i>				
<i>- related parties</i>				
Subsidiaries				
KCE Technology Co., Ltd.	-	-	9,096	5,499
Thai Laminate Manufacturer Co., Ltd.	-	-	65	-
Associates				
KCE Taiwan Co., Ltd.	1,867	2,780	1,729	2,762
Total	1,867	2,780	10,890	8,261
Other payables				
<i>- related parties</i>				
Subsidiaries				
K.C.E. International Co., Ltd.	-	-	2,993	-
KCE Technology Co., Ltd.	-	-	2,720	4
Associates				
KCE America, Inc.	241	106	37	-
Total	241	106	5,750	4

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5 Trade and other receivables

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
<i>(in thousand Baht)</i>					
Trade receivable					
Related parties	4	911,052	658,630	452,669	360,732
Other parties		3,810,928	2,850,511	1,591,331	1,017,983
Total		4,721,980	3,509,141	2,044,000	1,378,715
Less allowance for doubtful accounts		-	-	-	-
Net		4,721,980	3,509,141	2,044,000	1,378,715
Other receivables					
Related parties	4	-	103	3,932	16,002
Other parties		63,363	122,440	26,689	86,560
Total		63,363	122,543	30,621	102,562
Total trade and other receivables		4,785,343	3,631,684	2,074,621	1,481,277
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Bad and doubtful debts expense for three-month periods ended 30 September		-	-	-	-
for nine-month periods ended 30 September		-	-	-	-

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	571,356	421,170	266,812	217,422
Overdue:				
Less than 3 months	316,921	220,081	177,262	128,662
3 - 6 months	22,775	16,988	8,595	14,648
6 - 12 months	-	391	-	-
Over 12 months	-	-	-	-
	911,052	658,630	452,669	360,732
Less allowance for doubtful accounts	-	-	-	-
	911,052	658,630	452,669	360,732

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	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	2,460,568	1,816,100	1,191,543	713,365
Overdue:				
Less than 3 months	1,112,494	925,603	391,839	292,546
3 - 6 months	192,873	61,668	7,949	10,379
6 - 12 months	24,611	41,180	-	1,693
Over 12 months	20,382	5,960	-	-
	3,810,928	2,850,511	1,591,331	1,017,983
<i>Less allowance for doubtful accounts</i>	-	-	-	-
	3,810,928	2,850,511	1,591,331	1,017,983
Net	4,721,980	3,509,141	2,044,000	1,378,715

The normal credit terms granted by the Group range from 30 days to 120 days.

6 Investments in associates

	Consolidated financial statements Equity Method		Separate financial statements Cost Method	
	2015	2014	2015	2014
<i>Nine-month periods ended 30 September</i>	<i>(in thousand Baht)</i>			
Associates				
At 1 January	76,699	98,795	1,862	3,962
Share of profit from investment in associates using equity method	19,036	27,168	-	-
Dividend income	(10,429)	(4,216)	-	-
Foreign currency translation differences for foreign operations	18,325	(8,533)	-	-
At 30 September	103,631	113,214	1,862	3,962

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Investments in associates as at 30 September 2015 and 31 December 2014, and dividend income from those investments for the nine-month periods ended 30 September 2015 and 2014 were as follows:

Consolidated financial statements												
	Type of business	Country of incorporation	Ownership interest		Paid-up capital				Cost		Equity	
			30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014		
			(%)						<i>(in thousand Baht)</i>			
Associates												
	(1)	United States	50.00	50.00	USD	50,000	USD	50,000	644	644	71,992	63,963
	(2)	Taiwan	49.00	49.00	NTD	3,000,000	NTD	3,000,000	1,540	1,540	31,639	12,736
Total									2,184	2,184	103,631	76,699

- (1) Foreign sale representative of the Group
(2) Foreign raw materials and machinery sourcing representative of the Group

Share of profit from investments for the nine-month period ended 30 September 2015 in the above two associates was calculated by using the unreviewed financial statements of those associates as the management of the Company considered that the share of profit from investments of the said associates has no material impact to the consolidated financial statements of the Company and its subsidiaries and the said associates are located overseas and the Company has no power to direct the financial and operating policies of those companies, including the review of their financial statements.

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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Equity - net		Dividend Received	
	30	31	30	31	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	December	September	December	September	September
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)		(in thousand Baht)									
Associates												
KCE America, Inc.	25.0	25.0	USD 50,000	USD 50,000	322	322	-	-	322	322	-	-
KCE Taiwan Co., Ltd.	49.0	49.0	NTD 3,000,000	NTD 3,000,000	1,540	1,540	-	-	1,540	1,540	10,429	4,216
Total					1,862	1,862	-	-	1,862	1,862	10,429	4,216

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7 Investments in subsidiaries

<i>Nine-month periods ended 30 September</i>	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	2,595,059	2,397,008
Warrant granted to subsidiaries' directors and employees	7,119	33,012
Disposals	-	(6,000)
At 30 September	<u>2,602,178</u>	<u>2,424,020</u>

The Company's Board of Directors meeting's resolution on 18 February 2014 approved the sale of 12,000 shares or 2.5% interest in the issued and paid up capital in Chemtronics Technology (Thailand) Co., Ltd., a subsidiary, to a management of the subsidiary in order to promote business alliance and support long-term operation at Baht 550 per share, totaling Baht 6.6 million (the offered price is higher than the subsidiary's net book value as of 31 December 2013 and 31 March 2014). The Company sold the said investment in March 2014, reducing the Company's total interest in the said subsidiary to 94.75% of the issued and paid up capital.

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Investments in subsidiaries as at 30 September 2015 and 31 December 2014, and dividend income from those investments for the nine-month periods ended 30 September 2015 and 2014 were as follows:

Separate financial statements													
Type of business	Ownership Interest		Paid-up capital		Cost		Warrant granted to subsidiaries' directors and employees		Total		Dividend income		
	30	31	30	31	30	31	30	31	30	31	30	30	
	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	September 2014	
	(%)						(in thousand Baht)						
Direct subsidiaries													
KCE Technology Co., Ltd.	(1)	100.00	100.00	1,600,000	1,600,000	1,600,000	1,600,000	21,994	18,260	1,621,994	1,618,260	424,000	212,000
K.C.E. International Co., Ltd.	(1)	99.99	99.99	100,000	100,000	185,395	185,395	12,311	9,961	197,706	195,356	112,593	74,995
Chemtronic Technology (Thailand) Co., Ltd.	(2)	94.75	94.75	48,000	48,000	227,810	227,810	1,885	1,885	229,695	229,695	22,740	29,373
Thai Laminate Manufacturer Co., Ltd.	(3)	74.80	74.80	250,000	250,000	368,460	368,460	12,941	11,993	381,401	380,453	74,800	74,800
KCE (Thailand) Co., Ltd.	(4)	60.00	60.00	3,600	3,600	2,160	2,160	912	825	3,072	2,985	15,336	15,240
KCE Singapore Pte., Ltd.	(5)	75.50	75.50	SGD 500,000	SGD 500,000	168,310	168,310	-	-	168,310	168,310	-	-
Total						2,552,135	2,552,135	50,043	42,924	2,602,178	2,595,059	649,469	406,408
Indirect subsidiary													
Chemtronic Chemical Co., Ltd.	(2)	93.75	93.75	4,800	4,800	-	-	-	-	-	-	-	-

- (1) The manufacture and distribution of electric printed circuit board products
- (2) The manufacture and distribution of chemicals products
- (3) The manufacture and distribution of prepreg and laminate products
- (4) The domestic sale representative
- (5) The foreign sale representative

All subsidiaries entities operate in Thailand except KCE Singapore Pte., Ltd. which operates in Singapore.

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8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 30 September 2015 were as follows:

For the nine-month period ended 30 September 2015

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Net book value at 1 January 2015	8,843,032	4,659,689
Acquisitions during the period - cost	877,466	538,336
Disposals / write-off during the period - Net book Values at the date	(37,195)	(15,819)
Depreciation for the period	(484,633)	(159,237)
Reversal of impairment loss	(306)	-
Transfer in	72,173	39,171
Difference from changes in foreign currency exchange rate	3,390	-
Net book value at 30 September 2015	<u>9,273,927</u>	<u>5,062,140</u>

- 8.1 The Company and its two subsidiaries, K.C.E. International Co., Ltd. and Thai Laminate Manufacturer Co., Ltd., entered into negative pledge memorandums which are part of bank overdrafts and loans agreements. Under these memorandums, the Company and its subsidiaries are not allowed to dispose of, transfer, mortgage or provide any lien on their assets, as stipulated in such memorandums.
- 8.2 The subsidiaries have mortgaged and pledged the following property, plant and equipment.
- 8.2.1 KCE Technology Co., Ltd. has mortgaged its land and construction thereon and pledged its machinery with a total net book value as at 30 September 2015 of Baht 1,675 million (*31 December 2014: Baht 1,136 million*), as collateral for bank overdrafts and loans from banks, as described in Note 9.
- 8.2.2 Chemtronic Technology (Thailand) Co., Ltd. has mortgaged its land with a total net book value as at 30 September 2015 of Baht 68.6 million (*31 December 2014: Baht 68.6 million*), as collateral for loans from banks, as described in Note 9.
- 8.2.3 KCE Singapore Pte., Ltd. has mortgaged its office building with a total net book value as at 30 September 2015 of Baht 158 million (*31 December 2014: Baht 161 million*), as collateral for loans from banks, as described in Note 9.

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9 Interest bearing liabilities

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		30 September 2015	31 December 2014 <i>(in thousand Baht)</i>	30 September 2015	31 December 2014
Current					
Bank overdrafts - secured	(1)	-	3,814	-	3,814
Short-term loans from financial institutions - secured	(2)	302,864	135,395	120,000	-
Packing credits - secured	(3)	2,294,156	1,953,421	1,035,550	568,514
Trust receipts - secured	(3)	347,109	559,085	40,766	-
Total bank overdrafts and short-term loans from financial institutions		<u>2,944,129</u>	<u>2,651,715</u>	<u>1,196,316</u>	<u>572,328</u>
Short-term loan from related parties	(4)	-	-	130,000	-
Current portion of liabilities under hire-purchase and finance lease liabilities		34,126	34,454	31,143	31,135
Current portion of long-term loans - secured		491,723	375,200	428,304	207,356
Total current interest-bearing liabilities		<u>3,469,678</u>	<u>3,061,369</u>	<u>1,785,763</u>	<u>810,819</u>
Non-current					
Liabilities under hire-purchase and finance lease agreements		24,424	46,106	21,278	41,184
Long-term loans - secured		3,285,930	2,802,415	2,930,080	2,734,870
Total non-current interest-bearing liabilities		<u>3,310,354</u>	<u>2,848,521</u>	<u>2,951,358</u>	<u>2,776,054</u>
Total		<u>6,780,332</u>	<u>5,909,890</u>	<u>4,737,121</u>	<u>3,586,873</u>

(1) “Minimum Loan Rate” and “Minimum Overdraft Rate”

(2) “Money Market Rate”

(3) “SIBOR plus rates as mutually agreed in each period” and “Money Market Rate”

(4) “Rates mutually agreed as specified in promissory notes”

9.1 Under the long-term loans agreement from financial institutions of KCE Electronics Public Company Limited, the Company has to comply with certain conditions, including maintaining debt to equity ratio of not more than 2:1 and debt service coverage ratio (DSCR) of not less than 1.1:1.

9.2 Long-term loans from financial institutions of KCE Technology Co., Ltd., a subsidiary, are in US Dollar, with a SIBOR (Singapore Interbank Offered Rate) plus rates as specified in agreements. The loans are guaranteed by the Company and are secured by the mortgage of the subsidiary’s land and construction thereon and the pledge of most of the subsidiary’s machinery.

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- 9.3 Long-term loans from financial institutions of Chemtronic Technology (Thailand) Co., Ltd., a subsidiary, are secured by mortgage of the subsidiary's land. Under the loan agreement, the subsidiary company has to comply with certain conditions, including maintaining debt to equity ratio of not more than 1.
- 9.4 Long-term loan for financial institutions of KCE Singapore Pte., Ltd., a subsidiary, are secured by mortgage of subsidiary's office building. Under the loan agreement, the subsidiary company has to comply with certain conditions, including maintaining gearing ratio shall not be more than 1.
- 9.5 Long-term loans from financial institutions of Thai Laminate Manufacturer Co., Ltd., a subsidiary, are in US Dollar, with a LIBOR (London Interbank Offered Rate) plus rates as specified in agreements. The Company has to comply with certain conditions, including maintaining debt service coverage ratio (DSCR) of not less than 1.25 and debt to equity ratio of not more than 2.

Movements during the nine-month period ended 30 September 2015 of long-term loans were as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 January 2015	3,177,615	2,942,226
Increase	691,536	402,731
Decrease	(312,513)	(168,587)
Unrealised loss on exchange rate	221,015	182,014
At 30 September 2015	<u>3,777,653</u>	<u>3,358,384</u>

10 Trade and other payables

		Consolidated financial statements		Separate financial statements	
		30	31	30	31
		September	December	September	December
	<i>Note</i>	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Trade payables					
Related parties	4	87,591	70,865	705,068	520,941
Other parties		1,422,264	1,143,778	388,039	278,518
Other payables for purchase of machineries and equipments					
Related parties	4	1,867	2,780	10,890	8,261
Other parties		393,075	835,610	364,524	776,390
Other payables					
Related parties	4	241	106	5,750	4
Other parties		89,084	101,505	26,486	31,589
Accrued expenses		555,236	514,173	170,159	158,340
Total trade and other payables		<u>2,549,358</u>	<u>2,668,817</u>	<u>1,670,916</u>	<u>1,774,043</u>

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11 Share capital

<i>Nine-month periods ended</i> <i>30 September</i>	Par value per share (in Baht)	2015		2014	
		Number	Baht	Number	Baht
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	587,427	587,427	578,422	578,422
Reduction of shares	1	-	-	(995)	(995)
Increase of authorised share capital	1	-	-	10,000	10,000
At 30 September					
- ordinary shares	1	587,427	587,427	587,427	587,427
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	565,628	565,628	480,495	480,495
Issue of new shares	1	7,227	7,227	84,108	84,108
At 30 September					
- ordinary shares	1	572,855	572,855	564,603	564,603

On 29 April 2014, the Company's shareholders at the Annual General Meeting approved the reduction of the Company's authorised share capital in the amount of Baht 995,071 from the authorised share capital of Baht 578,421,582 to Baht 577,426,511 by cancelling 995,071 unissued ordinary shares with Baht 1 par value per share. The Company registered the said reduction of authorised share capital with the Ministry of Commerce on 13 June 2014.

On 29 April 2014, the Company's shareholders at the Annual General Meeting approved the increase of the Company's authorised share capital in the amount of Baht 10,000,000 from the authorised share capital of Baht 577,426,511 to Baht 587,426,511 by issuing 10,000,000 new ordinary shares at Baht 1 par value per share. The Company registered the said increase of authorised share capital with the Ministry of Commerce on 13 June 2014.

Issue of new shares

During the nine-month periods ended 30 September 2015 and 2014, the Company had issued new shares from the exercise of warrants as follow:

	2015		2014	
	Number	Baht	Number	Baht
	<i>(thousand shares/thousand Baht)</i>			
The exercise of warrants ESOP-W4	-	-	17	17
The exercise of warrants KCE-W2	5,114	5,114	78,247	78,247
The exercise of warrants ESOP-W5	2,113	2,113	5,844	5,844
Total	7,227	7,227	84,108	84,108

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12 Share warrants

12.1 Share warrants KCE-W2

On 29 April 2013, the Company's shareholders at the Annual General Meeting approved the issue and offering of warrants to purchase ordinary shares of the Company (KCE-W2) in the amount not exceeding 115,248,942 units to its existing shareholders in proportion to their shareholdings (Rights Offering) at the ratio of 4 ordinary shares to 1 unit of warrant without any charge and at the exercise price of Baht 5 per share.

On 17 June 2013, the Company allocated the Company's warrants (KCE-W2). The warrants are exercisable within 3 years from the issuing date at the exercise price of Baht 5 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 1 to 10 of March, June, September and December, starting from 1 to 10 September 2013 and with a final exercise date at 10 June 2016.

Movements of share warrants KCE-W2 during the nine-month periods ended 30 September 2015 and 2014 are summarised below:

	2015	2014
	Number	
	<i>(in thousand unit)</i>	
Warrants issued at 1 January	17,988	96,910
Less: Exercised during the period	<u>(5,114)</u>	<u>(78,247)</u>
Warrants issued at 30 September	<u>12,874</u>	<u>18,663</u>

In March 2014, the Company received share subscription from KCE-W2 for 68,525,052 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 342.6 million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 17 March 2014.

In June 2014, the Company received share subscription from KCE-W2 for 7,622,140 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 38.1 million. The Company registered the said increase of new shares with the Ministry of Commerce on 13 June 2014.

In September 2014, the Company received share subscription from KCE-W2 for 2,099,313 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 10.5 million. The Company registered the said increase of new shares with the Ministry of Commerce on 16 September 2014.

In March 2015, the Company received share subscription from KCE-W2 for 2,241,875 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 11.2 million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 10 March 2015.

In June 2015, the Company received share subscription from KCE-W2 for 619,447 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 3.1 million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 10 June 2015.

In September 2015, the Company received share subscription from KCE-W2 for 2,252,400 additional ordinary shares of Baht 5 each share supporting the exercise of the warrant, totaling of Baht 11.3

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million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 11 September 2015.

12.2 Share warrants ESOP-W5

On 29 April 2014, the Company's shareholders at the Annual General Meeting approved the issued and allotted 10,000,000 registered and nontransferable (except for transferring as stipulated in the prospectus) warrants free of charge to the directors and employees of the Company and/or its subsidiaries. These warrants are exercisable at a price of Baht 31.99 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 1 to 5 of March, June, September and December, for a period of 3 years from the issue date. The Company granted the said warrants to the directors and employees of the Company and/or its subsidiaries on 30 April 2014, which is the date of notification of conditions and arrangements in exercising the warrants to the directors and employees. The first exercise period is 1 to 5 June 2014 and with a final exercise date of 28 April 2017.

The fair value of the warrants granted "ESOP-W5" was Baht 9.42.

The expense recognised from share-based payment transaction for the period ended 30 September 2015 was Baht 11.9 million for the consolidated financial statements and Baht 4.8 million for the separate financial statements (2014: Baht 70.5 million for the consolidated financial statements and Baht 37.5 million for the separate financial statements).

Movements of the number of issued and allotted share warrants ESOP-W5 during the nine-month periods ended 30 September 2015 and 2014 are summarised below:

	2015	2014
	Number (in thousand unit)	
Warrants issued at 1 January	3,807	-
Add: Warrants issued during the period	-	10,000
Less: Exercised during the period	(2,113)	(5,844)
Warrants issued at 30 September	1,694	4,156

In June 2014, the Company received share subscription from ESOP-W5 for 1,268,000 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 40.6 million. The Company registered the said increase of new shares with the Ministry of Commerce on 13 June 2014.

In September 2014, the Company received share subscription from ESOP-W5 for 4,576,300 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 146.4 million. The Company registered the said increase of new shares with the Ministry of Commerce on 16 September 2014.

In March 2015, the Company received share subscription from ESOP-W5 for 839,000 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 26.8 million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 16 March 2015.

In June 2015, the Company received share subscription from ESOP-W5 for 832,200 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 26.6 million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 18 June 2015.

In September 2015, the Company received share subscription from ESOP-W5 for 441,500 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 14.1

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million. The Company registered the said increase of new paid-up shares with the Ministry of Commerce on 17 September 2015.

Movements of the carrying amount of share warrants ESOP-W5 during the nine-month periods ended 30 September 2015 and 2014 are summarised below:

	2015	2014
	Carrying amount (in thousand Baht)	
At 1 January	17,299	-
Increase	11,894	70,518
Exercised during the period	(19,910)	(55,075)
At 30 September	<u>9,283</u>	<u>15,443</u>

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13 Segment information

The Company and its subsidiaries' operations mainly involve business segments in prepreg and laminate products, printed circuit board products and chemical products with production facilities in Thailand and operate in both local and overseas markets. Financial information of the Company and its subsidiaries by business segments for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

Consolidated financial statements																
For the three-month periods ended 30 September 2015 and 2014																
Printed Circuit Board business																
Prepreg and Laminate business	America		Europe		Asia		Total		Chemical business		Eliminating entries		Total			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
<i>(in thousand Baht)</i>																
Revenues from external customers	15,404	17,281	563,351	559,412	1,737,314	1,514,054	918,161	824,751	3,218,826	2,898,217	66,662	83,516	-	-	3,300,892	2,999,014
Inter-segment revenues	549,642	454,580	-	-	-	-	448,980	292,847	448,980	292,847	23,231	21,911	(1,021,853)	(769,338)	-	-
Total revenues	<u>565,046</u>	<u>471,861</u>	<u>563,351</u>	<u>559,412</u>	<u>1,737,314</u>	<u>1,514,054</u>	<u>1,367,141</u>	<u>1,117,598</u>	<u>3,667,806</u>	<u>3,191,064</u>	<u>89,893</u>	<u>105,427</u>	<u>(1,021,853)</u>	<u>(769,338)</u>	<u>3,300,892</u>	<u>2,999,014</u>
Segment operating profit	126,336	77,084							946,696	826,387	31,864	41,944	(47,375)	6,978	1,057,521	952,393
Unallocated income and expenses:																
Compensation from insurance claim															-	126,500
Other income															8,141	29,224
Selling expenses															(151,536)	(151,802)
Administrative expenses															(282,606)	(288,807)
Finance cost															(48,732)	(29,365)
Share of profit from investments in associates															10,273	6,714
Corporate income tax															(16,596)	(30,423)
Profit for the period															<u>576,465</u>	<u>614,434</u>

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	Printed Circuit Board business										Chemical business		Eliminating entries		Total	
	Prepreg and Laminate business		America		Europe		Asia		Total		2015	2014	2015	2014	2015	2014
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014						
	<i>(in thousand Baht)</i>															
Revenues from external customers	46,622	51,248	1,531,152	1,398,094	4,865,158	4,492,955	2,584,687	2,398,218	8,980,997	8,289,267	202,733	242,208	-	-	9,230,352	8,582,723
Inter-segment revenues	1,561,202	1,388,442	-	-	-	-	1,251,965	902,302	1,251,965	902,302	69,526	59,229	(2,882,693)	(2,349,973)	-	-
Total revenues	<u>1,607,824</u>	<u>1,439,690</u>	<u>1,531,152</u>	<u>1,398,094</u>	<u>4,865,158</u>	<u>4,492,955</u>	<u>3,836,652</u>	<u>3,300,520</u>	<u>10,232,962</u>	<u>9,191,569</u>	<u>272,259</u>	<u>301,437</u>	<u>(2,882,693)</u>	<u>(2,349,973)</u>	<u>9,230,352</u>	<u>8,582,723</u>
Segment operating profit	365,424	250,785							2,493,636	2,347,523	101,160	118,882	(133,580)	(6,342)	2,826,640	2,710,848
Unallocated income and expenses:																
Compensation from insurance claim															-	126,500
Other income															38,396	123,308
Selling expenses															(411,029)	(458,679)
Administrative expenses															(709,879)	(841,733)
Finance cost															(105,230)	(95,804)
Share of profit from investments in associates															19,036	27,168
Corporate income tax															(73,438)	(51,512)
Profit for the period															<u>1,584,496</u>	<u>1,540,096</u>
Segment assets as at 30 September 2015 / 31 December 2014	<u>1,927,816</u>	<u>1,500,510</u>							<u>21,547,147</u>	<u>19,012,171</u>	<u>374,138</u>	<u>343,373</u>	<u>(6,911,297)</u>	<u>(5,696,321)</u>	<u>16,937,804</u>	<u>15,159,733</u>

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14 Gain (loss) on exchange rate and from hedging activities

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>For the three-month periods ended 30 September</i>				
Included in other income				
- Gain on exchange rate and from hedging activities - net	-	13,923	-	-
Included in administrative expenses				
- Loss on exchange rate and from hedging activities - net	28,439	-	92,908	289
<i>For the nine-month periods ended 30 September</i>				
Included in other income				
- Gain on exchange rate and from hedging activities - net	13,312	76,431	-	22,091
Included in administrative expenses				
- Loss on exchange rate and from hedging activities - net	-	-	98,537	-

15 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. There was no material change in effective tax rate this period.

16 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2015 and 2014 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial		Separate financial	
	statements		statements	
<i>Three-month periods ended 30 September</i>	2015	2014	2015	2014
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>573,424</u>	<u>611,144</u>	<u>272,854</u>	<u>259,794</u>
Number of ordinary shares outstanding at 1 July	570,161	557,928	570,161	557,928
Effect from ordinary shares issued during the period	<u>557</u>	<u>1,088</u>	<u>557</u>	<u>1,088</u>
Weighted average number of ordinary shares outstanding (basic)	<u>570,718</u>	<u>559,016</u>	<u>570,718</u>	<u>559,016</u>
Earnings per share (basic) (in Baht)	<u>1.00</u>	<u>1.09</u>	<u>0.48</u>	<u>0.46</u>

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<i>Nine-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>1,574,706</u>	<u>1,529,483</u>	<u>780,185</u>	<u>689,531</u>
Number of ordinary shares outstanding at 1 January	565,628	480,495	565,628	480,495
Effect from ordinary shares issued during the period	<u>3,059</u>	<u>53,661</u>	<u>3,059</u>	<u>53,661</u>
Weighted average number of ordinary shares outstanding (basic)	<u>568,687</u>	<u>534,156</u>	<u>568,687</u>	<u>534,156</u>
Earnings per share (basic) (in Baht)	<u>2.77</u>	<u>2.86</u>	<u>1.37</u>	<u>1.29</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2015 and 2014 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Three-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>573,424</u>	<u>611,144</u>	<u>272,854</u>	<u>259,794</u>
Weighted average number of ordinary shares outstanding (basic)	570,718	559,016	570,718	559,016
Effect of share warrants	<u>14,073</u>	<u>19,434</u>	<u>14,073</u>	<u>19,434</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>584,791</u>	<u>578,450</u>	<u>584,791</u>	<u>578,450</u>
Earnings per share (diluted) (in Baht)	<u>0.98</u>	<u>1.06</u>	<u>0.47</u>	<u>0.45</u>

<i>Nine-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>1,574,706</u>	<u>1,529,483</u>	<u>780,185</u>	<u>689,531</u>
Weighted average number of ordinary shares outstanding (basic)	568,687	534,156	568,687	534,156
Effect of share warrants	<u>15,402</u>	<u>37,582</u>	<u>15,402</u>	<u>37,582</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>584,089</u>	<u>571,738</u>	<u>584,089</u>	<u>571,738</u>
Earnings per share (diluted) (in Baht)	<u>2.70</u>	<u>2.68</u>	<u>1.34</u>	<u>1.21</u>

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17 Financial instruments carried at fair value

Carrying amounts and fair values of financial instruments carried at fair value

The fair values of financial assets and liabilities together with the carrying amounts in the consolidated and separate statement of financial position are as follows.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
30 September 2015					
<i>Current</i>					
Short-term investments					
in trading securities	2,936	2,936	-	-	2,936
Commodity hedge agreements	(1,227)	-	(1,227)	-	(1,227)
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(in thousand Baht)</i>			
30 September 2015					
<i>Current</i>					
Short-term investments					
in trading securities	2,936	2,936	-	-	2,936

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets and liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

18 Dividend

On 29 April 2014, the Company's shareholders at the Annual General Meeting approved the payment of dividend in respect of the Company's operating results for the period from 1 July 2013 to 31 December 2013 at Baht 0.50 per share to the ordinary shareholders, amounting to Baht 274.5 million. The Company paid the dividend on 15 May 2014.

On 5 August 2014, the meeting of the Board of Directors of the Company approved the payment of interim dividend in respect of the Company's operating results for the period from 1 January 2014 to 30 June 2014 at Baht 0.40 per share to the ordinary shareholders, amounting to Baht 223.2 million. The Company paid the dividend on 4 September 2014.

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On 29 April 2015, the Company's shareholders at the Annual General Meeting approved dividend payment based on operating result dated from 1 July 2014 to 31 December 2014 to the ordinary shareholders at Baht 0.70 per share, totaling in Baht 398 million. The said dividend was paid on 15 May 2015.

On 11 August 2015, the meeting of the Board of Directors of the Company approved dividend payment based on operating result dated from 1 January 2015 to 30 June 2015 to the ordinary shareholders at Baht 0.50 per share, totaling in Baht 285 million. The said interim dividend was paid on 11 September 2015.

19 Commitments

Commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Contracted but not provided				
buildings and other constructions	32,542	209,247	25,400	123,315
Unrecognised purchase orders for machinery and equipment	50,473	207,742	31,217	101,521
Total	83,015	416,989	56,617	224,836
<i>Non-cancellable operating lease and long-term service commitments</i>				
Within one year	25,841	57,974	7,951	23,896
After one year but within five years	3,015	6,435	17	2,120
Total	28,856	64,409	7,968	26,016

Forward exchange contracts

As at 30 September 2015, the Group had outstanding forward exchange contracts as follows:

Currency	Consolidated financial statements			Contract exchange rate <i>(Per unit of foreign currency)</i>
	Amount <i>(Thousand)</i>	Maturity date		
<i>Buying contract</i>				
US dollar	1,735	18 – 22 March 2016		35.9200 – 35.9700
US dollar	1,103	4 January 2016		Euro 0.9068
<i>Selling contract</i>				
US dollar	5,890	9 November 2015 – 30 March 2016		33.1500 – 36.5190
Euro	1,063	24 December 2015 – 29 February 2016		37.4764 – 41.2793
Pound Sterling	167	17 February 2016		55.2800

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Currency	Amount (Thousand)	Separate financial statements	
		Maturity date	Contract exchange rate (Per unit of foreign currency)
Buying contract			
US dollar	1,103	4 January 2016	Euro 0.9068
Selling contract			
Euro	1,000	24 - 28 December 2015	38.5100 – 38.5500

Commodity hedge agreements

As at 30 September 2015, a subsidiary had outstanding copper swap agreements, of which details are presented below.

Type of goods	Quantity (Ton)	Contract price (US dollar per ton)	Commodity's market price as at	
			30 September 2015	Maturity date
Copper	200	5,250 – 5,450	5,093	31 October 2015- 29 February 2016

Guarantees

As at 30 September 2015, the Company and its subsidiaries had commitments in respect of bank guarantees issued on their behalf amounting to Baht 83 million (the Company only: Baht 40 million) (31 December 2014: Consolidated financial statement: Baht 79 million, (the Company only: Baht 36 million)) in respect of certain performance bonds as required in the normal course of business, mainly for guarantee of electricity payment.

20 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016

KCE Electronics Public Company Limited and its subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2015 (Unaudited)

TFRS	Topic	Year effective
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 15 (revised 2015)	Operating Leases – Incentives	2016
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.