KCE Electronics Public Company Limited and its subsidiaries

Interim financial statements
for the three-month and nine-month periods ended
30 September 2018
and
Independent auditor's report
on review of interim financial information

Independent auditor's report on review of interim financial information

To the Board of Directors of KCE Electronics Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of KCE Electronics Public Company Limited and its subsidiaries, and of KCE Electronics Public Company Limited, respectively, as at 30 September 2018, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2018; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial informationis not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(ChokechaiNgamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
6 November 2018

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited)	31 December 2017	30 September 2018 (Unaudited)	31 December 2017
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		1,166,370	1,139,701	243,643	453,313
Trade and other current receivables	*5*	3,876,051	3,875,763	2,901,210	2,348,467
Inventories	*6*	3,139,020	2,428,304	1,331,262	1,085,237
Other current assets		120,762	60,800	73,629	26,425
Total current assets		**8,302,203**	**7,504,568**	**4,549,744**	**3,913,442**
Non-current assets					
Investments in associates	*7*	34,336	110,494	1,540	1,862
Investments in subsidiaries	*8*	-	-	2,812,332	2,651,366
Investment properties		163,991	165,623	191,322	193,226
Property, plant and equipment	*9*	9,412,646	9,509,952	5,502,465	5,534,903
Goodwill	*10*	175,906	117,498	-	-
Intangible assets		292,384	316,794	108,835	118,423
Deferred tax assets		56,632	52,242	-	-
Other non-current assets		65,685	73,083	44,715	51,616
Total non-current assets		**10,201,580**	**10,345,686**	**8,661,209**	**8,551,396**
Total assets		**18,503,783**	**17,850,254**	**13,210,953**	**12,464,838**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited)	31 December 2017	30 September 2018 (Unaudited)	31 December 2017
		(in thousand Baht)			
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	*11*	2,355,049	1,156,034	1,321,135	435,000
Trade and other current payables	*12*	2,967,109	2,802,251	2,279,605	2,157,605
Current portion of long-term borrowings	*11*	341,200	587,601	240,405	504,401
Current portion of liabilities under hire-purchase and finance lease agreements	*11*	5,985	4,526	3,295	1,700
Income tax payable		17,731	42,747	-	-
Other current liabilities		1,584	1,584	-	-
Total current liabilities		**5,688,658**	**4,594,743**	**3,844,440**	**3,098,706**
Non-current liabilities					
Long-term borrowings	*11*	939,837	1,766,536	829,634	1,526,608
Liabilities under hire-purchase and finance lease agreements	*11*	6,788	4,813	5,498	1,498
Deferred tax liabilities		69,275	47,479	5,905	10,434
Non-current provisions for employee benefits		167,412	162,376	67,130	67,409
Total non-current liabilities		**1,183,312**	**1,981,204**	**908,167**	**1,605,949**
Total liabilities		**6,871,970**	**6,575,947**	**4,752,607**	**4,704,655**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited)	31 December 2017	30 September 2018 (Unaudited)	31 December 2017
		(in thousand Baht)			
Equity					
Share capital	*13*				
Authorised share capital		586,397	586,397	586,397	586,397
Issued and paid-up share capital		586,397	586,397	586,397	586,397
Share premium		1,906,510	1,906,510	1,906,510	1,906,510
Retained earnings					
Appropriated					
Legal reserve		58,743	58,743	58,743	58,743
Unappropriated		9,079,641	8,732,167	5,906,696	5,208,533
Other components of equity		-53,851	-55,127	-	-
Equity attributable to owners of the Company		**11,577,440**	**11,228,690**	**8,458,346**	**7,760,183**
Non-controlling interests		54,373	45,617	-	-
Total equity		**11,631,813**	**11,274,307**	**8,458,346**	**7,760,183**
Total liabilities and equity		**18,503,783**	**17,850,254**	**13,210,953**	**12,464,838**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Three-month periods ended 30 September		Three-month periods ended 30 September	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Revenues	*4*				
Revenues from sale of goods and rendering of services		3,690,361	3,601,996	2,082,889	2,027,044
Dividend income from subsidiaries		-	-	276,513	561,154
Other income	*15*	73,519	66,709	55,391	57,071
Total revenues		**3,763,880**	**3,668,705**	**2,414,793**	**2,645,269**
Expenses	*4*				
Cost of sale of goods and rendering of services		2,692,406	2,518,991	1,610,318	1,546,264
Distribution costs		141,210	174,360	103,857	111,540
Administrative expenses		322,465	310,762	125,452	127,956
Finance costs		30,954	32,246	18,793	22,962
Total expenses		**3,187,035**	**3,036,359**	**1,858,420**	**1,808,722**
Share of profit from investments in associates	*7*	6,876	5,410	-	-
Profit before income tax		**583,721**	**637,756**	**556,373**	**836,547**
Tax (expense) income	*16*	-16,075	-20,833	-2,988	2,935
Profit for the period		**567,646**	**616,923**	**553,385**	**839,482**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(10,442)	(5,594)	-	-
Other comprehensive expense for the period, net of tax		**-10,442**	**-5,594**	**-**	**-**
Total comprehensive income for the period		**557,204**	**611,329**	**553,385**	**839,482**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		**Separate financial statements**	
		Three-month periods ended 30 September		Three-month periods ended 30 September	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Profit attributable to:					
Owners of the Company		559,743	612,405	553,385	839,482
Non-controlling interests		7,903	4,518	-	-
Profit for the period		**567,646**	**616,923**	**553,385**	**839,482**
Total comprehensive income attributable to:					
Owners of the Company		549,301	606,811	553,385	839,482
Non-controlling interests		7,903	4,518	-	-
Total comprehensive income for the period		**557,204**	**611,329**	**553,385**	**839,482**
Earnings per share					
Basic earnings per share *(in Baht)*	*17*	0.48	0.52	0.47	0.72

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Nine-month periods ended 30 September		Nine-month periods ended 30 September	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Revenues	*4*				
Revenues from sale of goods and rendering of services		10,773,810	10,801,920	6,166,645	5,935,706
Dividend income from subsidiaries	*8*	-	-	1,270,602	1,067,298
Dividend income from associates	*7*	-	-	16,889	26,493
Gain on previously-held equity interest in associate prior to change of status to subsidiary	*3*	40,825	-	-	-
Other income	*15*	215,994	202,491	143,878	169,645
Total revenues		**11,030,629**	**11,004,411**	**7,598,014**	**7,199,142**
Expenses	*4*				
Cost of sale of goods and rendering of services		7,872,705	7,499,688	4,822,511	4,523,976
Distribution costs		456,688	513,329	331,934	322,991
Administrative expenses		944,568	899,974	405,416	375,080
Finance costs		87,665	95,346	57,524	69,377
Total expenses		**9,361,626**	**9,008,337**	**5,617,385**	**5,291,424**
Share of profit from investments in associates	*7*	15,190	16,284	-	-
Profit before income tax		**1,684,193**	**2,012,358**	**1,980,629**	**1,907,718**
Tax (expense) income	*16*	-32,691	-51,902	4,512	-1,025
Profit for the period		**1,651,502**	**1,960,456**	**1,985,141**	**1,906,693**
Other comprehensive income					
Irems that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		1,276	(21,459)	-	-
Other comprehensive income (expense) for the period, net of tax		**1,276**	**(21,459)**	**-**	**-**
Total comprehensive income for the period		**1,652,778**	**1,938,997**	**1,985,141**	**1,906,693**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		**Separate financial statements**	
		Nine-month periods ended 30 September		Nine-month periods ended 30 September	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Profit attributable to:					
Owners of the Company		1,634,452	1,946,892	1,985,141	1,906,693
Non-controlling interests		17,050	13,564	-	-
Profit for the period		**1,651,502**	**1,960,456**	**1,985,141**	**1,906,693**
Total comprehensive income attributable to:					
Owners of the Company		1,635,728	1,925,433	1,985,141	1,906,693
Non-controlling interests		17,050	13,564	-	-
Total comprehensive income for the period		**1,652,778**	**1,938,997**	**1,985,141**	**1,906,693**
Earnings per share					
Basic earnings per share *(in Baht)*	*17*	1.39	1.66	1.69	1.63

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month periods ended 30 September		Nine-month periods ended 30 September	
	2018	2017	2018	2017
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the period	1,651,502	1,960,456	1,985,141	1,906,693
Adjustments to reconcile profit to cash receipts (payments)				
Share of profit from investments in associates	(15,190)	(16,284)	-	-
Depreciation for plant and equipment and investment properties	704,838	660,174	347,139	318,021
Amortisation	26,702	24,158	10,653	9,229
Doubtful debts expense	614	-	-	-
Allowance (reversal of) for inventories devaluation	11,263	(415)	10,268	6,649
Loss (gain) on disposal of machinery equipment	(1,313)	1,707	17,834	(40)
Loss from write-off of equipment	426	3,587	425	3,587
(Reversal of) allowance for impairment losses on assets	2,853	(2,442)	-	-
Provision for employee benefit	12,051	11,379	4,299	4,056
Unrealised gain on exchange rate and hedging activities	(21,954)	(92,148)	(32,883)	(103,364)
Share-based payment transactions	-	1,549	-	796
Gain on previously-held equity interest in associate prior to change of status to subsidiary	(40,825)	-	-	-
Dividend received from subsidiaries	-	-	(1,270,602)	(1,067,298)
Dividend received from associates	-	-	(16,889)	(26,493)
Interest expense	80,142	87,982	55,071	66,293
Tax expense (income)	32,691	51,902	(4,512)	1,025
	2,443,800	2,691,605	1,105,944	1,119,154
Changes in operating assets and liabilities				
Trade and other current receivables	361,380	4,418	(582,503)	33,145
Inventories	(523,876)	(2,772)	(256,293)	(13,324)
Other current assets	(54,348)	(12,082)	(17,084)	(7,609)
Other non-current assets	17,232	2,262	(11,032)	(8,487)
Trade and other current payables	(448,728)	(68,515)	264,248	204,324
Other current liabilities	-	(159)	-	(158)
Employee benefit paid	(7,015)	(4,695)	(4,579)	(2,018)
Net cash generated from operating	1,788,445	2,610,062	498,701	1,325,027
Taxes paid	(60,476)	(68,775)	(2,681)	(2,582)
Net cash from operating activities	**1,727,969**	**2,541,287**	**496,020**	**1,322,445**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month periods ended 30 September		Nine-month periods ended 30 September	
	2018	2017	2018	2017
	(in thousand Baht)			
Cash flows from investing activities				
Proceeds from disposals of machinery and equipment	1,349	1,697	712	231
Acquisition of property, plant and equipment	(543,493)	(812,829)	(427,945)	(596,289)
Acquisition of intangible assets	(2,292)	(19,038)	(1,064)	(11,217)
Net cash inflow (outflow) on acquisition of subsidiary	94,631	-	(160,687)	-
Dividend received form subsidiaries	-	-	1,270,602	1,067,298
Dividend received from associates	16,889	26,493	16,889	26,493
Net cash from (used in) investing activities	**-432,916**	**-803,677**	**698,507**	**486,516**
Cash flows from financing activities				
Interest paid	(82,485)	(87,975)	(56,736)	(67,299)
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	1,204,475	(101,538)	900,972	(158,591)
Repayment of liabilities under hire-purchase and finance lease agreements	(3,430)	(12,802)	(1,268)	(11,750)
Proceeds from long-term borrowings	476,081	683,601	476,081	533,961
Repayment of long-term borrowings	(1,565,349)	(810,411)	(1,436,311)	(612,574)
Purchase (sell) of shares in subsidiary	-	-	43	(22,790)
Net cash inflow on additional investment in subsidiary without a change in control	-	1,210	-	-
Proceeds from capital increase and warrants exercised	-	9,340	-	9,340
Dividend paid	(1,307,176)	(1,301,229)	(1,286,978)	(1,290,025)
Net cash used in financing activities	**-1,277,884**	**-1,619,804**	**-1,404,197**	**-1,619,728**
Net increase (decrease) in cash and cash equivalents before effect of exchange rates	17,169	117,806	-209,670	189,233
Effect of exchange rate changes on balances held in foreign currencies	9,500	(15,369)	-	-
Net increase (decrease) in cash and cash equivalents	**26,669**	**102,437**	**-209,670**	**189,233**
Cash and cash equivalents at 1 January	1,139,701	891,812	453,313	270,916
Cash and cash equivalents at 30 September	**1,166,370**	**994,249**	**243,643**	**460,149**
Non-cash transactions				
1) Non-cash related transactions for investing activities				
Net decrease (increase) in other current receivables from disposals of machinery and equipment	-	95	(14,595)	209
Net increase (decrease) in trust receipts from purchases of machinery and equipment	3,751	(10,897)	-	(7,548)
Net increase (decrease) in other current payables from purchases of machinery and equipment	(110,167)	48,454	(109,562)	74,726
2) Non-cash related transaction for financing activities				
Net increase in assets acquired under hire-purchase and finance lease agreements	6,863	892	6,863	892

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

KCE Electronics Public Company Limited and its subsidiaries
Statement of changes in equity (Unaudited)

							Consolidated financial statements						
							Other components of equity						
				Retained earnings				Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date					
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Translation financial statements		Change in percentage of holding in subsidiaries	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
							(in thousand Baht)						
Nine-month period ended 30 September 2017													
Balance at 1 January 2017		**586,105**	**1,894,710**	**1,203**	**58,743**	**7,477,691**	**8,301**	**(38,558)**	**2,031**	**(28,226)**	**9,990,226**	**37,278**	**10,027,504**
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
Issue of ordinary shares	*13*	292	11,800	(2,752)	-	-	-	-	-	-	9,340	-	9,340
Share-based payment transactions		-	-	1,549	-	-	-	-	-	-	1,549	-	1,549
Dividends		-	-	-	-	(1,290,025)	-	-	-	-	(1,290,025)	(11,204)	(1,301,229)
Total contributions by and distributions to owners of the Company		**292**	**11,800**	**(1,203)**	**-**	**(1,290,025)**	**-**	**-**	**-**	**-**	**(1,279,136)**	**(11,204)**	**(1,290,340)**
Changes in ownership interests in subsidiaries													
Increase of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	1,210	1,210
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	**1,210**	**1,210**
Total transactions with owners, recorded directly in equity		**292**	**11,800**	**(1,203)**	**-**	**(1,290,025)**	**-**	**-**	**-**	**-**	**(1,279,136)**	**(9,994)**	**(1,289,130)**
Comprehensive income for the period													
Profit or loss		-	-	-	-	1,946,892	-	-	-	-	1,946,892	13,564	1,960,456
Other comprehensive income		-	-	-	-	-	(21,459)	-	-	(21,459)	(21,459)	-	(21,459)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**1,946,892**	**(21,459)**	**-**	**-**	**(21,459)**	**1,925,433**	**13,564**	**1,938,997**
Balance at 30 September 2017		**586,397**	**1,906,510**	**-**	**58,743**	**8,134,558**	**(13,158)**	**(38,558)**	**2,031**	**(49,685)**	**10,636,523**	**40,848**	**10,677,371**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

						Consolidated financial statements						
						Other components of equity						
				Retained earnings			Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation financial statements		Change in percentage of holding in subsidiaries	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						(in thousand Baht)						
Nine-month period ended 30 September 2018												
Balance at 1 January 2018		**586,397**	**1,906,510**	**58,743**	**8,732,167**	**(18,600)**	**(38,558)**	**2,031**	**(55,127)**	**11,228,690**	**45,617**	**11,274,307**
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the Company												
Dividends	*19*	-	-	-	(1,286,978)	-	-	-	-	(1,286,978)	(20,198)	(1,307,176)
Total contributions by and distributions to owners of the Company		**-**	**-**	**-**	**(1,286,978)**	**-**	**-**	**-**	**-**	**(1,286,978)**	**(20,198)**	**(1,307,176)**
Changes in ownership interests in subsidiaries												
Increase of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	11,904	11,904
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	**11,904**	**11,904**
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**(1,286,978)**	**-**	**-**	**-**	**-**	**(1,286,978)**	**(8,294)**	**(1,295,272)**
Comprehensive income for the period												
Profit or loss		-	-	-	1,634,452	-	-	-	-	1,634,452	17,050	1,651,502
Other comprehensive income		-	-	-	-	1,276	-	-	1,276	1,276	-	1,276
Total comprehensive income for the period		**-**	**-**	**-**	**1,634,452**	**1,276**	**-**	**-**	**1,276**	**1,635,728**	**17,050**	**1,652,778**
Balance at 30 September 2018		**586,397**	**1,906,510**	**58,743**	**9,079,641**	**(17,324)**	**(38,558)**	**2,031**	**(53,851)**	**11,577,440**	**54,373**	**11,631,813**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements					
					Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Total equity
				(in thousand Baht)			
Nine-month period ended 30 September 2017							
Balance at 1 January 2017		**586,105**	**1,894,710**	**1,203**	**58,743**	**4,338,808**	**6,879,569**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	*13*	292	11,800	(2,752)	-	-	9,340
Share-based payment transactions		-	-	1,549	-	-	1,549
Dividends		-	-	-	-	(1,290,025)	(1,290,025)
Total contributions by and distributions to owners of the Company		**292**	**11,800**	**(1,203)**	-	**(1,290,025)**	**(1,279,136)**
Comprehensive income for the period							
Profit or loss		-	-	-	-	1,906,693	1,906,693
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**1,906,693**	**1,906,693**
Balance at 30 September 2017		**586,397**	**1,906,510**	**-**	**58,743**	**4,955,476**	**7,507,126**

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

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total equity
			(in thousand Baht)			
Nine-month period ended 30 September 2018						
Balance at 1 January 2018		**586,397**	**1,906,510**	**58,743**	**5,208,533**	**7,760,183**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners of the Company						
Dividends	*19*	-	-	-	(1,286,978)	(1,286,978)
Total contributions by and distributions to owners of the Company		**-**	**-**	-	**(1,286,978)**	**(1,286,978)**
Comprehensive income for the period						
Profit or loss		-	-	-	1,985,141	1,985,141
Total comprehensive income for the period		**-**	**-**	**-**	**1,985,141**	**1,985,141**
Balance at 30 September 2018		**586,397**	**1,906,510**	**58,743**	**5,906,696**	**8,458,346**

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

KCE Electronics Public Company Limitedand its subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2018 (Unaudited)

Note	Contents
1	General information
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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 financial statements, and were approved and authorised for issue by the Board of Directors on 6 November 2018.

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 Companies Act on 21 December 1992. The Company has its registered office at No. 72-72/1-3SoiChalongkrung 31, Kwang Lumplatew, KhetLatKrabang, Bangkok.

The Company's major shareholders during the financial year were Ongkosit family including APCO CAPITAL PTE. LTD (33% 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 2018 and 31 December 2017are given in notes 4 and 8.

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 2017) *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 2017. 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 2017.

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 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. 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 or the Company.

In addition to the above new and revised TFRS, the FAP has issued TFRS which relevant to the Group's operations. Those TFRS become effective for annual financial reporting periods beginning on or after 1 Januaryof the following years. The Group has not early adopted these standards in preparing these interim financial statements.

TFRS	Topic	Effective
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TAS 32*	Financial Instruments: Presentation	2020

TFRS	Topic	Effective
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

** TFRS - Financial instruments standards*

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transferscontrol over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts,*
- TAS 18 (revised 2017) *Revenue,*
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services,*
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes,*
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate, and*
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers.*

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

(b) Functional and presentation currency

The interim financial statements are prepared andpresented 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.

(c) Use of 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 2017.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 18 – financial instruments.

3 Acquisition of subsidiary

On 3 January 2018, the Group obtained control of an associate, KCE America, Inc., which is engaged in the business of sale agent in foreign countries, and has a subsidiary, KCE America Partner Company Limited, which its business is rental building, by acquiring additional ordinary shares at the proportion of 45%, amounting to US 4.95 million dollar or equivalent to Baht 160.7 million, resulting in the Group's total controlling interest inKCE America, Inc.increase from 50% to 95%, and indirect controlling interest in KCE America Partner Company Limitedat 95%. On such date, KCE America, Inc. has changed status from associate to direct subsidiary, and KCE America Partner Company Limited is indirect subsidiary of the Group. Taking control of such companies will enable the Group to align the subsidiaries' policy and market strategy with those of the Group.

For the three-month and nine-month periods ended30 September 2018, KCE America, Inc. and KCE America Partner Company Limitedcontributed total revenue of Baht 640.5 million and Baht 1,703.7 million and total net profit of Baht 8.8 million and Baht 12.5 million, respectively,to the Group's results.

The fair value of the previously-held equity interest in associate prior to the change of status to subsidiary are as follow:

	(in thousand Baht)
Fair value of previously-held equity interest in associate prior to the change of status to subsidiary	123,889
Less carrying amount of investment at equity method	(72,161)
Translation reserve transferred to profit or loss which has been	

recognised in the statement of comprehensive income	(10,903)
Gain on previously-held equity interest in associate prior to the change of status to subsidiary	**40,825**

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	Fair Value *(in thousand Baht)*
Cash	160,687
Total	**160,687**

Identifiable assets acquired and liabilities assumed

	Carrying amounts	Fair value adjustments *(in thousand Baht)*	Fair value
Cash and cash equivalents	255,318	-	255,318
Trade and other current receivable	395,760	-	395,760
Inventories	198,102	-	198,102
Property, plant and equipment	30,923	136,867	167,790
Intangible assets	1,730	-	1,730
Other assets	17,981	-	17,981
Trade and other accounts payable	(754,063)	-	(754,063)
Long-term loans from financial institution	(17,585)	-	(17,585)
Deferred tax assets (liabilities)	1,780	(28,742)	(26,962)
Total identifiable net assets	**129,946**	**108,125**	**238,071**
Interest in acquired business (%)			95
Net identifiable assets acquired and liabilities assumed			**226,168**
*Less*fair value of previously-held equity interest in associate prior to the change of status to subsidiary			(123,889)
			102,279
Goodwill arising from the acquisition			58,408
Total consideration			**160,687**
Net cash acquired with the subsidiary			255,318
Cash paid			(160,687)
Net cash inflow (outflow) on acquisition of subsidiary			**94,631**

The fair value of property, plant and equipment has been determined provisionally by independent valuation.

As at 30 September 2018, the Group had completed the fair value assessment of the net assets acquired in accordance with TFRS No. 3 (revised 2017). However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

The goodwill is attributable mainly to the marketing skills and technical talent of KCE America, Inc. and KCE America Partner Company Limited's work force, and the synergies expected to be achieved

from integrating them into the Group's business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The trade receivables comprise gross contractual amounts of Baht 391.8 million, of which Baht 1.9 million was expected to be uncollectible at the acquisition date.

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 are described in notes 7and 8. 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.

The pricing policies for particular types of transactions 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
Rental income	Prices as specified in agreements
Other income and other expenses	Prices agreed between the parties
Purchases and sales of property, plant and equipment	Net book value plus margin and prices agreed between the parties
Purchases 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
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 income and other expenses	Prices agreed between the parties
Purchases 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
Purchases and sales 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

Significant transactions for the three-month andnine-month periods ended 30 September 2018 and 2017 with related parties were as follows:

For the three-month periods ended 30 September	**Consolidated financial statements**		**Separate financial statements**	
	2018	2017	2018	2017
	(in million Baht)			
Subsidiaries				
Sale of goods	-	-	561	121
Rendering of service	-	-	30	19
Rental income	-	-	1	1
Other income	-	-	3	3
Purchases of goods	-	-	679	701
Dividend income	-	-	277	561
Commission expense	-	-	34	14
Otherexpenses	-	-	3	6
Associates				
Sales of goods	-	527	-	326
Purchase of raw materials	36	36	25	27
Purchases of property, plant and equipment	1	1	-	-
Commission expense	-	29	-	19
Other expenses	-	4	-	5
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	36	27	13	11
Total key management personnel compensation	36	27	13	11

For the nine-month periods ended 30 September	**Consolidated financial statements**		**Separate financial statements**	
	2018	2017	2018	2017
	(in million Baht)			
Subsidiaries				
Sale of goods	-	-	1,498	446
Sales of property, plant and equipment	-	-	15	-
Rendering of service	-	-	84	68
Rental income	-	-	4	4
Other income	-	-	10	12
Purchases of goods	-	-	2,045	1,999
Purchases of property, plant and equipment	-	-	-	13
Dividend income	-	-	1,271	1,067
Commission expense	-	-	95	47
Other expenses	-	-	19	9
Associates				
Sales of goods	-	1,558	-	888
Purchase of raw materials	121	97	86	68
Purchases of property, plant and equipment	2	1	-	-
Dividend income	17	26	17	26
Commission expense	-	79	-	44
Other expenses	2	7	1	6

For the nine-month periods ended 30 September	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in million Baht)			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	102	87	37	32
Share-based payments	-	2	-	-
Retirement benefit obligations	-	1	-	-
Total key management personnel Compensation	102	90	37	32

Balances as at 30 September 2018 and 31 December 2017with related parties were as follows:

Trade receivables - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Subsidiaries				
KCE America, Inc. (*)	-	-	661,376	-
KCE Technology Co., Ltd.	-	-	192,011	133,410
K.C.E. International Co., Ltd.	-	-	16,405	6,226
KCE (Thailand) Co., Ltd.	-	-	11,500	8,150
KCE Singapore Pte. Ltd.	-	-	(38)	8,996
Thai Laminate Manufacturer Co., Ltd.	-	-	76	101
Associate				
KCE America, Inc. (*)	-	635,929	-	382,925
Total	**-**	**635,929**	**881,330**	**539,808**

Other current receivables - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	16,250	4,593
Chemtronic Technology (Thailand) Co., Ltd.	-	-	7,550	7,137
K.C.E. International Co., Ltd.	-	-	819	4,749
Thai Laminate Manufacturer Co., Ltd.	-	-	569	566
KCE (Thailand) Co., Ltd.	-	-	5	5
Associates				
KCE Taiwan Co., Ltd	1,399	-	1,098	-
Total	**1,399**	**-**	**26,291**	**17,050**

Trade payables - related parties	**Consolidated financial statements**		**Separate financial statements**	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Subsidiaries				
Thai Laminate Manufacturer Co., Ltd.	-	-	726,697	595,725
KCE Technology Co., Ltd.	-	-	172,818	236,991
K.C.E. International Co., Ltd.	-	-	197,277	185,805
KCE Singapore Pte. Ltd.	-	-	24,404	26,343
CTC Chemical Co., Ltd.	-	-	16,867	12,939
Associates				
KCE Taiwan Co., Ltd	25,570	29,200	17,983	21,996
KCE America, Inc. (*)	-	455	-	-
Total	**25,570**	**29,655**	**1,156,046**	**1,079,799**

Other payables for purchase of machineries and equipment - related parties	**Consolidated financial statements**		**Separate financial statements**	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Subsidiary				
KCE Technology Co., Ltd.	-	-	-	89
KCE Singapore Pte. Ltd.	-	-	49	-
Associate				
KCE Taiwan Co., Ltd.	1,148	127	-	83
Total	**1,148**	**127**	**49**	**172**

Other current payables - related parties	**Consolidated financial statements**		**Separate financial statements**	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	36	-
KCE (Thailand) Co., Ltd.	-	-	48	51
K.C.E. International Co., Ltd.	-	-	12	-
KCE Singapore Pte. Ltd.	-	-	-	85
Associate				
KCE America, Inc. (*)	-	15,126	-	1,150
Total	**-**	**15,126**	**96**	**1,286**

(*) KCE America, Inc. has changed of status from associate to subsidiary on 3 January 2018 (see note 3).

5 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(in thousand Baht)			
Trade receivables					
Related parties	*4*	-	635,929	881,330	539,808
Other parties		3,845,056	3,184,090	1,979,918	1,756,634
Total		**3,845,056**	**3,820,019**	**2,861,248**	**2,296,442**
Less allowance for doubtful accounts		(2,575)	-	-	-
Net		**3,842,481**	**3,820,019**	**2,861,248**	**2,296,442**
Other current receivables					
Related parties	*4*	1,399	-	26,291	17,050
Other parties		32,171	55,744	13,671	34,975
Total		**33,570**	**55,744**	**39,962**	**52,025**
Total trade and other current receivables		**3,876,051**	**3,875,763**	**2,901,210**	**2,348,467**

	2018	2017	2018	2017
	(in thousand Baht)			
Bad and doubtful debts expense for the three-monthperiod ended 30 September	-	-	-	-
Bad and doubtful debts expense for the nine-monthperiod ended 30 September	614	-	-	-

Aging analysis for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Related parties				
Within credit terms	-	455,184	508,295	411,431
Overdue:				
Less than 3 months	-	148,110	339,694	124,445
3 - 6 months	-	25,901	29,842	3,932
6 - 12 months	-	6,734	3,499	-
Over 12 months	-	-	-	-
	-	**635,929**	**881,330**	**539,808**
Less allowance for doubtful accounts	-	-	-	-
	-	**635,929**	**881,330**	**539,808**
Other parties				
Within credit terms	3,029,835	2,284,377	1,433,987	1,270,486
Overdue:				
Less than 3 months	789,771	856,430	529,972	472,240
3 - 6 months	14,992	38,716	15,959	11,624
6 - 12 months	6,085	1,623	-	666
Over 12 months	4,373	2,944	-	1,618
	3,845,056	**3,184,090**	**1,979,918**	**1,756,634**
Less allowance for doubtful accounts	(2,575)	-	-	-
	3,842,481	**3,184,090**	**1,979,918**	**1,756,634**
Net	**3,842,481**	**3,820,019**	**2,861,248**	**2,296,442**

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

6 Inventories

Inventories as at 30 September2018 included finished goods (made to order) of Baht 656 million *(31 December 2017:Baht 488 million)* in the consolidated financial statements and Baht 377 million *(31 December 2017: Baht 388 million)* in the separate financial statements, which had been delivered to the customers' warehouses but the title of the inventory shall remain with the Group until the customers' requisition to their production process. The Group will receive the payment for these inventories after the customers' requisition to their production process, and following conditions within the periods specified in the agreements.

7 Investments in associates

		Consolidated financial statements Equity Method		Separate financial statements Cost Method	
Nine-month periods ended 30 September	*Note*	2018	2017	2018	2017
		(in thousand Baht)			
Associates					
At 1 January		110,494	122,536	1,862	1,862
Share of profit from investments in associates using equity method		15,190	16,284	-	-
Change of status to subsidiary	*3*	(72,161)	-	(322)	-
Dividend income		(16,889)	(26,493)	-	-
Foreign currency translation differences forforeign operations		(2,298)	(6,090)	-	-
At 30 September		**34,336**	**106,237**	**1,540**	**1,862**

Investments in associates as at 30 September 2018 and 31 December 2017 and dividend income from investments for the nine-month periods ended 30 September 2018 and 2017 were as follows:

			Consolidated financial statements							
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(%)				*(in thousand Baht)*			
Associates										
KCE America, Inc.	(1)	United States	95.00 (*)	50.00	USD 50,000	USD 50,000	-	644	-	72,161
KCE Taiwan Co., Ltd.	(2)	Taiwan	49.00	49.00	NTD 3,000,000	NTD 3,000,000	1,540	1,540	34,336	38,333
Total							**1,540**	**2,184**	**34,336**	**110,494**

(1) Foreign sale representatives of the Group
(2) Foreign raw materials and machinery sourcing representative of the Group
(*) KCE America, Inc. has changed of status from associate to subsidiary on 3 January 2018 (see note 3).

Share of profit from investments for the nine-month period ended 30 September 2018 in the above associate was calculated by using the unreviewed financial statements of the associate as the management of the Company considered that the share of profit from investments of the said associate has no material impact to the consolidated financial statements of the Company and its subsidiaries and the said associate is located oversea and the Company has no power to direct the financial and operating policies of the company, including the review of the financial statements.

					Separate financial statements							
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net		Dividend income	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
	(%)				*(in thousand Baht)*							
Associates												
KCE America, Inc.	70.0 (*)	25.0	USD 50,000	USD 50,000	-	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	16,889	26,493
Total					**1,540**	**1,862**	**-**	**-**	**1,540**	**1,862**	**16,889**	**26,493**

(*) KCE America, Inc. has changed of status from associate to subsidiary on 3 January 2018 (see note 3).

8 Investments in subsidiaries

		Separate financial statements	
Nine-month periods ended 30 September	*Note*	2018	2017
		(in thousand Baht)	
At 1 January		2,651,366	2,627,823
Additional investment	*3*	160,687	22,790
Disposal investment		(43)	-
Change of status from associate to subsidiary	*7*	322	-
Warrant granted to subsidiaries' directors and employees		-	753
At 30 September		**2,812,332**	**2,651,366**

On 15 February 2017, the Company has invested additionally in share capital in Chemtronic Products Co., Ltd. with the same shareholding percentage (94.96 %) of 227,900 ordinary shares, with a par value of Baht 100 per share, totaling Baht 22.8 million.

On 3 January 2018, the Company had acquired ordinary shares of KCE America, Inc. from its existing shareholders of 22,500 shares with a par value of US 1 dollar at price of US 220 dollar per share, totalling US 4.95 million dollar or equivalent to Baht 160.7 million which represented 45% of total issued and paid-up ordinary shares, resulted in increasing the Company's ownership from 25% to 70% (increasing its Group's ownership from 50% to 95%) (see Note 3).

On 10 July 2018, the Board of Directors of the Company approved the disposal of ordinary shares of KCE Singapore Pte., Ltd.of 2,500 shares with a par value of US 1 dollar at price of US 12.55 dollar per share to K.C.E. International Co., Ltd, a subsidiary,totalling US 0.03 million dollar or equivalent to Baht 1.04 million which represented 0.50% of total issued and paid-up ordinary shares, resulted in decreasing the Company's ownership from 75.50% to 75.00%.

Investments in subsidiaries as at 30 September 2018 and 31 December 2017, and dividend income from investmentsfor the nine-month periods ended 30 September 2018 and 2017, 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 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
		(%)				*(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	23,536	23,536	1,623,536	1,623,536	872,000	760,000
K.C.E. International Co., Ltd.	(1)	99.99	99.99	100,000	100,000	185,395	185,395	13,193	13,193	198,588	198,588	102,494	104,994
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	68,220	54,576
Chemtronic Product Co., Ltd.	(2)	94.96	94.96	48,000	48,000	45,580	45,580	-	-	45,580	45,580	-	-
Thai Laminate Manufacturer Co., Ltd.	(3)	74.80	74.80	250,000	250,000	368,460	368,460	13,971	13,971	382,431	382,431	121,550	84,150
KCE (Thailand) Co., Ltd.	(4)	60.00	60.00	3,600	3,600	2,160	2,160	1,066	1,066	3,226	3,226	18,360	11,880
KCE Singapore Pte., Ltd.	(5)	75.00	75.50	SGD 500,000	SGD 500,000	168,267	168,310	-	-	168,267	168,310	29,913	51,698
KCE America, Inc. (*)	(5)	70.00	25.00	USD 50,000	USD 50,000	161,009	-	-	-	161,009	-	58,065	-
Total						**2,758,681**	**2,597,715**	**53,651**	**53,651**	**2,812,332**	**2,651,366**	**1,270,602**	**1,067,298**
Indirect subsidiaries													
Chemtronic Chemical Co., Ltd.	(2)	93.57	93.57	4,800	4,800	-	-	-	-	-	-	-	-
CTC Chemical Co., Ltd.	(2)	94.35	94.35	4,800	4,800	-	-	-	-	-	-	-	-
KCE America Partner Co., Ltd. (*)	(6)	70.00	25.00	USD 302,257	USD 302,257	-	-	-	-	-	-	-	-

(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
(6) Rental building

All subsidiaries were incorporated in Thailand except KCE Singapore Pte., Ltd. which was incorporated in Singapore, KCE America, Inc.and KCE America Partner Co., Ltd., which both were incorporated in America.

(*) KCE America, Inc. has changed of status from associate to direct subsidiary, and KCE America Partner Co., Ltd., was indirect subsidiary on 3 January 2018 (see Note 3).

9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 30 September 2018 were as follows:

For the nine-month period ended 30 September 2018	*Note*	**Consolidated financial statements**	**Separate financial statements**
		(in thousand Baht)	
Net book value at 1 January 2018		9,509,952	5,534,903
Acquisitions during the period – cost		463,581	353,873
Acquisition through business combinations	*3*	167,790	-
Disposals during the period- net book value at the disposal date		(15,765)	(33,565)
Depreciation for the period		(701,964)	(345,234)
Impairment losses		(2,853)	-
Transfer		(6,818)	(7,512)
Difference from changes in foreign currency exchange rate		(1,277)	-
Net book value at30 September 2018		**9,412,646**	**5,502,465**

9.1 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.

9.2 The subsidiaries have mortgaged and pledged the following property, plant and equipment.

9.2.1 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 2018 of Baht 1,161 million *(31 December 2017: Baht 1,254 million)*, as collateral for loans facilities from banks, as described in Note 11.

9.2.2 Chemtronic Technology (Thailand) Co., Ltd. has mortgaged its land with a total net book value as at 30 September 2018 of Baht 68.6 million *(31 December 2017: Baht 68.6 million)*, as collateral for loans from banks, as described in Note 11.

9.2.3 KCE Singapore Pte., Ltd. has mortgaged its office building with a total net book value as at 30 September 2018 of Baht 145.7million *(31 December 2017: Baht 149 million)*, as collateral for loans from banks, as described in Note 11.

9.2.4 ChemtronicProducts Co., Ltd. has mortgaged its construction thereon and pledged its machinery and equipment with a total net book value as at 30 September2018 of Baht 65.0million *(31 December 2017: Baht 68.6 million)*, as collateral for loans from banks, as described in Note 11.

9.2.5 America Partner Co., Ltd has mortgaged its land andconstruction with a total net book value as at 30 September 2018 of Baht 162.0million, as collateral for loans from banks, as described in Note 11.

10 Goodwill

For the nine-month period ended 30 September 2018	*Note*	***Consolidated financial statements*** *(in thousand Baht)*
Cost		
At 1 January 2018		117,498
Acquisitions through business combinations	*3*	58,408
At 30 September 2018		**175,906**
Impairment losses		
At 1 January 2018		-
Impairment loss		-
At 30 September 2018		**-**
Net book value		
At 1 January 2018		**117,498**
At 30 September 2018		**175,906**

11 Interest-bearing liabilities

	Consolidated financial statements		**Separate financial statements**	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Current				
Bank overdrafts - secured	5,576	-	2,217	-
Short-term borrowings from financial institutions - secured	600,000	110,000	380,000	110,000
Packing credits - secured	1,415,637	817,048	881,030	325,000
Trust receipts - secured	333,836	228,986	57,888	-
Total bank overdrafts and short-term borrowings from financial institutions	**2,355,049**	**1,156,034**	**1,321,135**	**435,000**
Current portion of long-term borrowings - secured	341,200	587,601	240,405	504,401
Current portion of liabilities under hire-purchase and finance lease agreements	5,985	4,526	3,295	1,700
Total current interest-bearing liabilities	**2,702,234**	**1,748,161**	**1,564,835**	**941,101**
Non-current				
Long-term borrowings - secured	939,837	1,766,536	829,634	1,526,608
Liabilities under hire-purchase and finance lease agreements	6,788	4,813	5,498	1,498
Total non-current interest-bearing liabilities	**946,625**	**1,771,349**	**835,132**	**1,528,106**
Total	**3,648,859**	**3,519,510**	**2,399,967**	**2,469,207**

11.1 Under the long-term borrowings 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 1.25:1.

11.2 Long-term borrowings from financial institutions of KCE Technology Co., Ltd., a subsidiary, which are in US Dollar, with a LIBOR (London Interbank Offered Rate) plus rates as specified in agreements. The loans are secured by the mortgage of the subsidiary's land and construction thereon and the pledge of most of the subsidiary's machinery.

Moreover, long-term borrowings from financial institutions of KCE Technology Co., Ltd., a subsidiary, are in Baht andhas an interest rate swap agreement from a floating interest rate of THBFIX (3 months) plus fixed percent per annum to EUR fixed interest rate per annum. The subsidiary has to comply with certain conditions, including maintaining debt service coverage ratio (DSCR) of not less than 1.25:1 and debt to equity ratio of not more than 2.

11.3 Long-term borrowings from financial institutions of Chemtronic Technology (Thailand) Co., Ltd., a subsidiary, are secured by mortgage of subsidiary's land. Under the loan agreement, the subsidiary has to comply with certain conditions, including maintaining debt to equity ratio of not more than 1.

11.4 Long-term borrowings from financial institutions of KCE Singapore Pte., Ltd., a subsidiary, are secured by mortgage of subsidiary's office building. Under the loan agreement, the subsidiaryhas to comply with certain conditions, including maintaining gearing ratio not to be more than 1.

11.5 Long-term borrowings 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 subsidiaryhas to comply with certain conditions, including maintaining debt service coverage ratio of not less than 1.25 and debt to equity ratio of not more than 2.

11.6 Long-term borrowings from financial institutions of K.C.E. International Co., Ltd., a subsidiary, are in US Dollar, with a LIBOR (London Interbank Offered Rate) plus rates as specified in agreements, the subsidiary has to comply with certain conditions, including maintaining debt service coverage ratio of not less than 1.2:1 and debt to equity ratio of not more than 2.

11.7 Long-term borrowings from financial institutions of Chemtronic Products Co., Ltd.,a subsidiary, are secured by mortgage of subsidiary's construction and pledged its machinery and equipment. Under the loan agreement, the subsidiary has to comply with certain conditions, including maintaining debt to equity ratio of not more than 2.

11.8 Long-term borrowings from financial institutions of America Partner Co., Ltd.,anindirect subsidiary, are in US Dollar,with a fixed interest rate as specified in agreement.The loans are secured by the mortgage of the subsidiary's land and construction.Under the loan agreement, the subsidiary has to comply with certain conditions.

Movements during the nine-month period ended 30 September 2018 of long-term borrowings were as follows:

	Note	Consolidated financial statements	Separate financial statements
		(in thousand Baht)	
Balance at 1 January 2018		2,354,137	2,031,008
Increase		476,081	476,081
Acquisitions through business combinations	*3*	17,585	-
Decrease		(1,565,349)	(1,436,311)
Unrealisedgain on exchange rate		(1,280)	(739)
Difference from changes in foreign currency exchange rate		(137)	-
Balance at 30 September 2018		**1,281,037**	**1,070,039**

12 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(in thousand Baht)			
Trade payables					
Related parties	*4*	25,570	29,655	1,156,046	1,079,799
Other parties		1,998,195	1,752,807	588,215	465,342
Other payables for purchase of machinery and equipment					
Related parties	*4*	1,148	127	49	172
Other parties		204,019	315,207	186,398	295,837
Other current payables					
Related parties	*4*	-	15,126	96	1,286
Other parties		128,980	48,809	65,388	22,934
Accrued expenses		609,197	640,520	283,413	292,235
Total trade and other current payables		**2,967,109**	**2,802,251**	**2,279,605**	**2,157,605**

13 Share capital

Nine-month periods ended 30 September	Par value per share *(in Baht)*	2018 Number	2018 Amount	2017 Number	2017 Amount
		(thousand shares / in thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	1	586,397	586,397	587,427	587,427
Reduction of shares	1	-	-	(1,030)	(1,030)
Split shares					
- from Baht 1 to Baht 0.5	1	(586,397)	(586,397)	-	-
- from Baht 1 to Baht 0.5	0.5	1,172,794	586,397	-	-
At 30 September					
- ordinary shares	**1**	**-**	**-**	**586,397**	**586,397**
- ordinary shares	**0.5**	**1,172,794**	**586,397**	**-**	**-**
Issued and paid-up					
At 1 January					
- ordinary shares	1	586,397	586,397	586,105	586,105
Issue of new shares	1	-	-	292	292
Split shares					
- from Baht 1 to Baht 0.5	1	(586,397)	(586,397)	-	-
- from Baht 1 to Baht 0.5	0.5	1,172,794	586,397	-	-
At 30 September					
- ordinary shares	**1**	**-**	**-**	**586,397**	**586,397**
- ordinary shares	**0.5**	**1,172,794**	**586,397**	**-**	**-**

At the Annual General Meeting of the Company's shareholders held on 26 April 2018, the Company's shareholders approved the change in par value of the registered share capital at ratio 1:2 from Baht 1.00 per share to Baht 0.50 per share by increasing the number of shares from 586.4 million shares to 1,172.8 million shares. The company registered the change in par value with Commercial Department on
16 May 2018.

Issue of new shares

During the nine-month periods ended 30 September 2018 and 2017, the Company had issued new shares from the exercise of warrants as follows:

	2018 Number	2018 Amount	2017 Number	2017 Amount
	(thousand shares/ in thousand Baht)			
The exercise of warrants ESOP-W5	-	-	292	292
Total	**-**	**-**	**292**	**292**

14 Segment information

The Company and its subsidiaries' operations mainly involve business segments in manufacture and sale of prepreg and laminate products, printed circuit board, 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 for the three-month and nine-month periods ended 30 September 2018 and 2017 is as follows:

	Consolidated financial statements															
	For the three-month periods ended 30 September 2018 and 2017															
			Printed Circuit Board business													
	Prepreg and Laminate business		America		Europe		Asia		Total		Chemical business		Eliminating entries		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(in thousand Baht)															
Revenues from external customers	23,775	3,079	593,210	537,566	1,721,681	1,919,269	1,236,697	1,054,814	3,551,588	3,511,649	114,998	87,268	-	-	3,690,361	3,601,996
Inter-segment revenues	627,784	617,259	576,373	-	-	-	845,541	755,489	1,421,914	755,489	33,088	29,210	(2,082,786)	(1,401,958)	-	-
Total revenues	651,559	620,338	1,169,583	537,566	1,721,681	1,919,269	2,082,238	1,810,303	4,973,502	4,267,138	148,086	116,478	(2,082,786)	(1,401,958)	3,690,361	3,601,996
Segment operating profit	71,958	100,643							947,690	976,016	56,625	45,817	(78,318)	(39,471)	997,955	1,083,005
Unallocated profit and expenses:																
Other income															73,519	66,709
Distribution costs															(141,210)	(174,360)
Administrative expenses															(322,465)	(310,762)
Finance costs															(30,954)	(32,246)
Share of profit from investments in associates															6,876	5,410
Tax expense															(16,075)	(20,833)
Profit for the period															567,646	616,923

For the three-month period ended 30 September 2018, the Group had total revenues which were converted to US dollar amounted to US 113 million dollar*(2017: US 108 million dollar).*

KCE Electronics Public Company Limitedand its subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2018 (Unaudited)

Consolidated financial statements

For the nine-month periods ended 30 September 2018 and 2017

	Prepreg and Laminate business		Printed Circuit Board business								Chemicalbusiness		Eliminating entries		Total	
			America		Europe		Asia		Total							
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(in thousand Baht)															
Revenues from external customers	56,489	47,687	1,732,802	1,576,155	5,294,746	5,619,687	3,387,079	3,300,699	10,414,627	10,496,541	302,694	257,692	-	-	10,773,810	10,801,920
Inter-segment revenues	1,951,573	1,796,923	1,654,535	-	-	-	2,358,266	2,415,095	4,012,801	2,415,095	95,005	83,881	(6,059,379)	(4,295,899)	-	-
Total revenues	2,008,062	1,844,610	3,387,337	1,576,155	5,294,746	5,619,687	5,745,345	5,715,794	14,427,428	12,911,636	397,699	341,573	(6,059,379)	(4,295,899)	10,773,810	10,801,920
Segment operating profit	196,867	296,737							2,763,124	3,003,349	150,820	131,947	(209,706)	(129,801)	2,901,105	3,302,232
Unallocated profit and expenses:																
Gain on previously-held equity interest in associate prior to change of status to subsidiary															40,825	-
Other income															215,994	202,491
Distribution costs															(456,688)	(513,329)
Administrative expenses															(944,568)	(899,974)
Finance costs															(87,665)	(95,346)
Share of profit from investments in associates															15,190	16,284
Tax expense															(32,691)	(51,902)
Profit for the period															1,651,502	1,960,456
Segment assets as at 30 September 2018 / 31 December 2017	2,267,620	2,293,501							24,239,862	22,806,647	545,947	511,925	(8,549,645)	(7,761,819)	18,503,783	17,850,254

For the nine-month period ended 30 September 2018, the Group had total revenues which were converted to US dollar amounted to US338 million dollar*(2017: US 317 million dollar).*

15 Gain on exchange rate and hedgingactivities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
For the three-month periods ended 30 September				
Included in other income				
- Gain on exchange rate and hedging activities - net	42,463	45,167	29,924	41,612
For the nine-month periods ended 30 September				
Included in other income				
- Gain on exchange rate and hedging activities - net	139,384	140,566	81,121	125,338

16 Income tax

Income tax 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. For the three-month and nine-month periods ended 30 September 2018, there was no material change in effective tax rate.

17 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for thethree-month and nine-month periods ended 30 September 2018 and 2017were 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 statements		Separate financial statements	
Three-month periods ended 30 September	2018	2017	2018	2017
	(in thousand Baht/ thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	**559,743**	**612,405**	**553,385**	**839,482**
Number of ordinary shares outstanding at 1 July	1,172,794	586,397	1,172,794	586,397
Effect from reduction in par value from Baht 1 to Baht 0.5	-	586,397	-	586,397
Weighted average number of ordinary shares outstanding (basic)	**1,172,794**	**1,172,794**	**1,172,794**	**1,172,794**
Earnings per share (basic)*(in Baht)*	**0.48**	**0.52**	**0.47**	**0.72**

	Consolidated financial statements		Separate financial statements	
Nine-month periods ended 30 September	2018	2017	2018	2017
	(in thousand Baht/ thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	**1,634,452**	**1,946,892**	**1,985,141**	**1,906,693**
Number of ordinary shares outstanding at 1 January	586,397	586,105	586,397	586,105
Effect from ordinary shares issued during the period	-	215	-	215
Effect of reduction in par value from Baht 1 to Baht 0.5	586,397	586,320	586,397	586,320
Weighted average number of ordinary shares outstanding (basic)	**1,172,794**	**1,172,640**	**1,172,794**	**1,172,640**
Earnings per share (basic)*(in Baht)*	**1.39**	**1.66**	**1.69**	**1.63**

18 Financial instruments

Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	(in thousand Baht)			
Financial assets(liabilities) not measured at fair value				
30 September 2018				
Foreign currency forward contracts	(812)	(302)	-	-
Cross currency and interest rate swap contract	1,708	3,145	-	-
31 December 2017				
Foreign currency forward contracts	900	460	850	(74)
Cross currency and interest rate swap contract	(2,873)	(1,113)	-	-
Financial assets(liabilities) measured at fair value				
30 September 2018				
Commodities hedge agreements	673	673	82	82
31 December 2017				
Commodities hedge agreements	4,770	4,770	-	-

The Group determines Level 2 fair value for foreign currency forward contracts, cross currency and interest rate swap contract, and commodities hedge agreements by reference to the value quotes announce by the financial institutions.

Most of financial assets and liabilitiesof the Group were short-term. The fair value of financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term borrowings are taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

19 Dividend

On 26 April 2018, the Company's shareholders at the Annual General Meeting approved dividend payment to common shareholdersbased on operating results from 1 July 2017 to 31 December 2017 at Baht 1.10 per share, totalling Baht 644 million. The dividend was paid on 9 May 2018.

On 7 August 2018, the meeting of the Board of Director of the Company approved interim dividend payment to common shareholdersbased on operating results from 1 January 2018 to 30 June 2018at Baht 0.55 per share, totalling Baht 643 million. The dividend was paid on 6September 2018.

20 Commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for buildings and other constructions	634	7,927	-	5,934
Unrecognised purchase orders for machinery and equipment	227,273	60,853	213,856	60,853
Total	**227,907**	**68,780**	**213,856**	**66,787**
Future minimum lease payments under non-cancellable operating lease				
Within one year	22,392	17,828	7,033	1,349
After one year but within five years	3,693	2,910	2,560	159
Total	**26,085**	**20,738**	**9,593**	**1,508**
Other commitments				
Unrecognised purchase orders for raw materials	1,079,766	958,568	121,295	157,299
Bank guarantees	79,644	79,612	49,092	49,092
Total	**1,159,410**	**1,038,180**	**170,387**	**206,391**

Forward exchange contracts

As at 30 September 2018, the Group had outstanding forward exchange contracts as follows:

	Consolidated financial statements		
Currency	Amount *(Thousand)*	Maturity date	Contract exchange rate *(Per unit of foreign currency)*
Selling contract			
US dollar	1,225	23 November 2018 – 1 February 2019	Baht 31.9925-33.0223
Buying contract			
US dollar	1,759	29 October 2018 – 25 March 2019	Baht 32.2050-32.4480

As at 31 December 2017, the Group had outstanding forward exchange contracts as follows:

	Consolidated financial statements		
Currency	Amount *(Thousand)*	Maturity date	Contract exchange rate *(Per unit of foreign currency)*
Selling contract			
US dollar	7,686	29 January 2018 – 3 July 2018	Baht 32.5500-32.7320
Euro	1,500	5 July 2018	Baht 39.1800-39.2420

	Separate financial statements		
Currency	Amount *(Thousand)*	Maturity date	Contract exchange rate *(Per unit of foreign currency)*
Selling contract			
US dollar	1,500	28 June 2018 – 3 July 2018	Baht 32.5500-32.6025
Euro	1,000	5 July 2018	Baht 39.1800

Cross currency and interest rate swap agreement

KCE Technology Co., Ltd, a subsidiary, had a cross currency and interest rate swap agreement with a local financial institution for the period from 1 November 2016 to 29 November 2019 by which the subsidiary agreed to swap the currency and interest rate ofborrowing of Baht 250 million (equivalent to EUR 6.4 million) with a Thai Baht floating interest rate of THBFIX (3 months) plus fixed percent per annum to EUR fixed interest rate per annum. As at 30 September 2018, the subsidiary had outstanding balance of borrowing amounted to Baht 103 million (equivalent to EUR 2.7 million).

Commodity hedge agreements

As at 30 September 2018, the Group had outstanding copper swap agreements, of which details are presented below:

Type of good	Quantity *(Ton)*	Contract price	Commodity's market price As at 30 September 2018 *(US dollars per ton)*	Maturity date
Buying contract				
Copper	540	5,850 – 6,700	6,180	31 October 2018 – 31 January 2019
Sellingcontract				
Copper	120	6,200 - 6,302	6,180	31 October 2018 – 31 December 2018

As at 31 December 2017, the Group had outstanding copper swap agreements, of which details are presented below:

Type of good	Quantity	Contract price	Commodity's market price As at 31 December 2017	Maturity date
	(Ton)	*(US dollars per ton)*		
Buying contract				
Copper	240	6,575 - 6,798	7,157	31 January 2018 – 31 May 2018