

**KCE Electronics Public Company Limited
and its subsidiaries**

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2023
and
Independent auditor's review report

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 2023, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023, the consolidated and separate statement of changes in equity and cash flows for the nine-month period ended 30 September 2023; 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 information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Sumate Jangsamsee)
Certified Public Accountant
Registration No. 9362

KPMG Phoomchai Audit Ltd.
Bangkok
7 November 2023

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		30 September	31 December	30 September	31 December
Assets	Note	2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,501,793	1,144,528	592,469	188,569
Trade and other current receivables	3	4,686,471	4,900,150	3,442,875	3,661,120
Inventories	4	4,213,575	4,907,619	2,228,285	2,655,987
Other current financial assets	11	-	8,370	-	-
Other current assets		86,803	118,530	26,235	43,041
Non-current assets classified as held for sale	5	30,253	-	-	-
Total current assets		10,518,895	11,079,197	6,289,864	6,548,717
Non-current assets					
Investment in associate	6	29,666	35,764	1,642	1,642
Investments in subsidiaries	6	-	-	2,849,476	2,849,397
Contract costs assets	8	368,016	384,229	353,976	365,046
Investment properties		155,103	154,712	179,524	180,497
Property, plant and equipment	7	8,334,915	8,864,068	5,243,117	5,512,632
Right-of-use assets		21,119	14,135	20,517	14,135
Goodwill		153,517	153,517	-	-
Intangible assets		141,586	169,630	59,568	69,508
Deferred tax assets		112,410	110,334	29,900	29,930
Other non-current assets		5,793	27,897	2,729	18,238
Total non-current assets		9,322,125	9,914,286	8,740,449	9,041,025
Total assets		19,841,020	20,993,483	15,030,313	15,589,742

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity	Note	2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
<i>Current liabilities</i>					
Short-term borrowings from financial institutions		1,983,091	2,172,507	1,079,261	1,516,882
Trade and other current payables		2,986,809	3,248,752	2,356,492	2,617,210
Current contract liabilities	5	36,360	-	-	-
Current portion of long-term borrowings		530,951	738,423	296,492	538,000
Current portion of lease liabilities		5,567	4,159	5,417	4,159
Corporate income tax payable		37,911	79,718	5,913	8,220
Other current financial liabilities	11	32,434	-	19,224	-
Total current liabilities		5,613,123	6,243,559	3,762,799	4,684,471
<i>Non-current liabilities</i>					
Long-term borrowings		562,526	903,533	468,300	648,080
Lease liabilities		8,792	6,108	8,543	6,108
Deferred tax liabilities		45,145	47,842	-	-
Non-current provisions for employee benefits		329,384	347,132	166,628	172,224
Total non-current liabilities		945,847	1,304,615	643,471	826,412
Total liabilities		6,558,970	7,548,174	4,406,270	5,510,883

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of financial position

	Consolidated financial		Separate financial	
	statements		statements	
	30 September 2023 (Unaudited)	31 December 2022	30 September 2023 (Unaudited)	31 December 2022
Liabilities and equity				
	<i>(in thousand Baht)</i>			
Equity				
Share capital				
Authorised share capital	591,397	591,397	591,397	591,397
Issued and paid-up share capital	591,044	590,983	591,044	590,983
Share premium	2,160,859	2,156,723	2,160,859	2,156,723
Warrants	-	739	-	739
Retained earnings				
Appropriated				
Legal reserve	59,140	59,140	59,140	59,140
Unappropriated	10,438,255	10,615,583	7,811,999	7,270,273
Other components of equity	(19,604)	(33,694)	1,001	1,001
Equity attributable to owners of the Company	13,229,694	13,389,474	10,624,043	10,078,859
Non-controlling interests	52,356	55,835	-	-
Total equity	13,282,050	13,445,309	10,624,043	10,078,859
Total liabilities and equity	19,841,020	20,993,483	15,030,313	15,589,742

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Revenues				
Revenues from sale of goods and rendering of services	4,326,452	4,633,948	2,522,820	2,762,114
Dividend income from subsidiaries	-	-	680,435	835,963
Other income	91,234	94,875	52,162	63,311
Total revenues	4,417,686	4,728,823	3,255,417	3,661,388
Expenses				
Cost of sale of goods and rendering of services	3,375,486	3,508,829	2,076,138	2,202,524
Distribution costs	119,043	164,368	125,694	152,667
Administrative expenses	338,938	358,732	172,553	167,226
Total expenses	3,833,467	4,031,929	2,374,385	2,522,417
Profit from operating activities	584,219	696,894	881,032	1,138,971
Finance costs	(27,346)	(19,340)	(17,559)	(13,973)
Share of profit of investments in associate	3,646	5,191	-	-
Profit before income tax expense	560,519	682,745	863,473	1,124,998
Tax expense	(33,335)	(22,200)	(6,033)	(36)
Profit for the period	527,184	660,545	857,440	1,124,962
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	7,124	20,758	-	-
Other comprehensive income for the period, net of tax	7,124	20,758	-	-
Total comprehensive income for the period	534,308	681,303	857,440	1,124,962

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Owners of the Company	519,530	655,243	857,440	1,124,962
Non-controlling interests	7,654	5,302	-	-
Profit for the period	527,184	660,545	857,440	1,124,962
Total comprehensive income attributable to:				
Owners of the Company	526,654	676,001	857,440	1,124,962
Non-controlling interests	7,654	5,302	-	-
Total comprehensive income for the period	534,308	681,303	857,440	1,124,962
Earnings per share <i>(in Baht)</i>				
Basic earnings per share	0.44	0.55	0.73	0.95
Diluted earning per share	0.44	0.55	0.73	0.95

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Revenues					
Revenues from sale of goods and rendering of services	8	12,249,125	13,833,858	7,204,956	7,802,522
Dividend income from subsidiaries		-	-	1,601,702	1,734,602
Dividend income from an associate	6	-	-	16,271	17,360
Other income		279,236	282,895	178,991	161,946
Total revenues		12,528,361	14,116,753	9,001,920	9,716,430
Expenses					
Cost of sale of goods and rendering of services		9,763,174	10,609,503	6,112,210	6,242,081
Distribution costs		395,897	469,394	381,682	419,988
Administrative expenses		957,754	1,052,013	482,481	499,983
Total expenses		11,116,825	12,130,910	6,976,373	7,162,052
Profit from operating activities		1,411,536	1,985,843	2,025,547	2,554,378
Finance costs		(79,819)	(48,004)	(54,764)	(34,381)
Share of profit of investments in associate	6	11,157	14,404	-	-
Profit before income tax expense		1,342,874	1,952,243	1,970,783	2,519,997
Tax expense		(82,222)	(111,393)	(10,551)	(5,168)
Profit for the period		1,260,652	1,840,850	1,960,232	2,514,829
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		14,090	33,902	-	-
Other comprehensive income for the period, net of tax		14,090	33,902	-	-
Total comprehensive income for the period		1,274,742	1,874,752	1,960,232	2,514,829

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
Note	2023	2022	2023	2022
	(in thousand Baht)			
Profit attributable to:				
Owners of the Company	1,241,178	1,816,919	1,960,232	2,514,829
Non-controlling interests	19,474	23,931	-	-
Profit for the period	1,260,652	1,840,850	1,960,232	2,514,829
Total comprehensive income attributable to:				
Owners of the Company	1,255,268	1,850,821	1,960,232	2,514,829
Non-controlling interests	19,474	23,931	-	-
Total comprehensive income for the period	1,274,742	1,874,752	1,960,232	2,514,829
Earnings per share (in Baht)				
Basic earnings per share	10	1.05	1.66	2.13
Diluted earning per share	10	1.05	1.66	2.13

The accompanying notes form an integral part of the interim financial statements.

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

Consolidated financial statements												
Other components of equity												
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												
Change in percentage of holding in subsidiaries												
Total other components of equity												
Equity attributable to owners of the Company												
Non-controlling interests												
Total equity												
Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Retained earnings Unappropriated	Translation financial statements	the subsidiaries at the acquisition date	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 2022												
	590,795	2,146,465	(26)	59,140	10,620,715	(155)	(38,558)	2,031	(36,682)	13,380,407	61,683	13,442,090
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
	149	8,143	(388)	-	-	-	-	-	-	7,904	-	7,904
	-	-	1,091	-	-	-	-	-	-	1,091	-	1,091
9	-	-	-	-	(2,363,608)	-	-	-	-	(2,363,608)	(35,327)	(2,398,935)
	149	8,143	703	-	(2,363,608)	-	-	-	-	(2,354,613)	(35,327)	(2,389,940)
	149	8,143	703	-	(2,363,608)	-	-	-	-	(2,354,613)	(35,327)	(2,389,940)
Comprehensive income for the period												
	-	-	-	-	1,816,919	-	-	-	-	1,816,919	23,931	1,840,850
	-	-	-	-	-	33,902	-	-	33,902	33,902	-	33,902
	-	-	-	-	1,816,919	33,902	-	-	33,902	1,850,821	23,931	1,874,752
	590,944	2,154,608	677	59,140	10,074,026	33,747	(38,558)	2,031	(2,780)	12,876,615	50,287	12,926,902

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

Consolidated financial statements												
Other components of equity												
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												
Change in percentage of holding in subsidiaries												
Total other components of equity												
Equity attributable to owners of the Company												
Non-controlling interests												
Total equity												
Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Retained earnings Unappropriated	Translation financial statements	the subsidiaries at the acquisition date	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 2023												
Balance at 1 January 2023	590,983	2,156,723	739	59,140	10,615,583	2,833	(38,558)	2,031	(33,694)	13,389,474	55,835	13,445,309
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of ordinary shares	61	3,355	(160)	-	-	-	-	-	-	3,256	-	3,256
Share-based payment transactions	-	781	(579)	-	-	-	-	-	-	202	-	202
Dividends	9	-	-	-	(1,418,506)	-	-	-	-	(1,418,506)	(22,953)	(1,441,459)
Total contributions by and distributions to owners	61	4,136	(739)	-	(1,418,506)	-	-	-	-	(1,415,048)	(22,953)	(1,438,001)
Total transactions with owners, recorded directly in equity	61	4,136	(739)	-	(1,418,506)	-	-	-	-	(1,415,048)	(22,953)	(1,438,001)
Comprehensive income for the period												
Profit or loss	-	-	-	-	1,241,178	-	-	-	-	1,241,178	19,474	1,260,652
Other comprehensive income	-	-	-	-	-	14,090	-	-	14,090	14,090	-	14,090
Total comprehensive income for the period	-	-	-	-	1,241,178	14,090	-	-	14,090	1,255,268	19,474	1,274,742
Balance at 30 September 2023	591,044	2,160,859	-	59,140	10,438,255	16,923	(38,558)	2,031	(19,604)	13,229,694	52,356	13,282,050

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements								Other components	
					Retained earnings		of equity		
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Change in percentage of holding in subsidiaries	Total equity	
(in thousand Baht)									
Nine-month period ended 30 September 2022									
Balance at 1 January 2022		590,795	2,146,465	(26)	59,140	6,935,406	1,001	9,732,781	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares		149	8,143	(388)	-	-	-	7,904	
Share-based payment transactions		-	-	1,091	-	-	-	1,091	
Dividends	9	-	-	-	-	(2,363,608)	-	(2,363,608)	
Total contributions by and distributions to owners		149	8,143	703	-	(2,363,608)	-	(2,354,613)	
Total transactions with owners, recorded directly in equity		149	8,143	703	-	(2,363,608)	-	(2,354,613)	
Comprehensive income for the period									
Profit or loss		-	-	-	-	2,514,829	-	2,514,829	
Total comprehensive income for the period		-	-	-	-	2,514,829	-	2,514,829	
Balance at 30 September 2022		590,944	2,154,608	677	59,140	7,086,627	1,001	9,892,997	

KCE Electronics Public Company Limited and its subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements								
				Retained earnings		Other components of equity		
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Change in percentage of holding in subsidiaries	Total equity
(in thousand Baht)								
Nine-month period ended 30 September 2023								
Balance at 1 January 2023		590,983	2,156,723	739	59,140	7,270,273	1,001	10,078,859
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares		61	3,355	(160)	-	-	-	3,256
Share-based payment transactions		-	781	(579)	-	-	-	202
Dividends	9	-	-	-	-	(1,418,506)	-	(1,418,506)
Total contributions by and distributions to owners		61	4,136	(739)	-	(1,418,506)	-	(1,415,048)
Total transactions with owners, recorded directly in equity		61	4,136	(739)	-	(1,418,506)	-	(1,415,048)
Comprehensive income for the period								
Profit or loss		-	-	-	-	1,960,232	-	1,960,232
Total comprehensive income for the period		-	-	-	-	1,960,232	-	1,960,232
Balance at 30 September 2023		591,044	2,160,859	-	59,140	7,811,999	1,001	10,624,043

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	1,260,652	1,840,850	1,960,232	2,514,829
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	82,222	111,393	10,551	5,168
Share of profit of associate accounted for using equity method, net of tax	(11,157)	(14,404)	-	-
Depreciation and amortisation	826,944	802,839	468,658	450,400
Amortisation on contract costs assets	23,643	32,050	18,500	18,607
Reversal of expected credit loss	(8)	(37)	-	-
(Reversal of) loss on inventories devaluation	(1,589)	42,089	(11,330)	21,500
Loss on sale of unit trust	-	69,632	-	-
Loss (gain) on disposal of machinery and equipment	859	22,238	(165)	(622)
Loss from write-off of equipment	2,314	4,011	781	556
Provision for impairment losses on assets	2,423	2,001	-	-
Loss from write-off inventories	10,386	-	-	-
Provision for employee benefit	23,287	22,353	11,010	31,582
Unrealised loss (gain) on exchange rate and changes in fair value of derivatives	7,165	71,479	(1,432)	26,608
Share-based payment transactions	202	1,091	123	577
Dividends received from subsidiaries	-	-	(1,601,702)	(1,734,602)
Dividends received from an associate	-	-	(16,271)	(17,360)
Interest expense	73,955	41,131	51,416	31,385
	2,301,298	3,048,716	890,371	1,348,628
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	355,348	(543,873)	341,243	(364,529)
Inventories	685,247	(487,579)	439,032	(435,709)
Other current assets	38,384	(28,070)	19,727	4,002
Contract costs assets	(7,430)	(16,158)	(7,430)	(16,158)
Other non-current assets	4,053	29,838	-	5,545
Trade and other current payables	(245,054)	(240,740)	(285,496)	(5,679)
Current contract liabilities	36,360	-	-	-
Other current financial liabilities	9,487	(2,728)	-	-
Employee benefit paid	(41,035)	(23,428)	(16,606)	(10,246)
Net cash generated from operating	3,136,658	1,735,978	1,380,841	525,854
Taxes paid	(109,253)	(205,270)	(11,623)	(11,660)
Net cash from operating activities	3,027,405	1,530,708	1,369,218	514,194

The accompanying notes form an integral part of the interim financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Cash receipts form unit trust	-	446,646	-	-
Proceeds from disposals of machinery and equipment	1,507	9,076	644	622
Acquisition of property, plant and equipment	(347,113)	(918,207)	(172,822)	(339,094)
Acquisition of intangible assets	(4,243)	(906)	(3,513)	(393)
Dividend received from subsidiaries	-	-	1,601,702	1,734,602
Dividend received from an associate	16,271	17,360	16,271	17,360
Net cash from (used in) investing activities	(333,578)	(446,031)	1,442,282	1,413,097
<i>Cash flows from financing activities</i>				
Interest paid	(79,765)	(54,412)	(59,725)	(39,186)
Increase (decrease) in bank overdrafts and short-term borrowings				
from financial institutions	(225,478)	458,066	(469,581)	460,848
Payment of lease liabilities	(14,312)	(2,494)	(13,592)	(2,494)
Proceeds from long-term borrowings	-	453,661	-	308,079
Repayment of long-term borrowings	(594,518)	(474,215)	(449,453)	(351,508)
Proceeds from capital increase and warrants exercised	3,257	7,904	3,257	7,904
Dividend paid	(1,441,459)	(2,398,935)	(1,418,506)	(2,363,608)
Net cash used in financing activities	(2,352,275)	(2,010,425)	(2,407,600)	(1,979,965)
Net increase (decrease) in cash and cash equivalents				
before effect of exchange rate	341,552	(925,748)	403,900	(52,674)
Effect of exchange rate changes on balances held				
in foreign currencies	15,713	37,471	-	-
Net increase (decrease) in cash and cash equivalents	357,265	(888,277)	403,900	(52,674)
Cash and cash equivalents at 1 January	1,144,528	1,965,782	188,569	232,584
Cash and cash equivalents at 30 September	1,501,793	1,077,505	592,469	179,910
Supplemental disclosure of cash flows information				
1) Net increase in other current receivables from disposal of machinery and equipment	-	-	(1,763)	-
2) Net increase in trust receipts from purchases of machinery and equipment	30,220	-	30,220	-
3) Net decrease in other current payables from purchases of machinery and equipment	(102,304)	(146,883)	(42,030)	(94,463)
4) Net increase (decrease) in right-of-use assets	9,650	4,285	13,868	(3,901)
5) Borrowing costs relating to the acquisition of assets	11,171	14,655	9,803	8,414

The accompanying notes form an integral part of the interim financial statements.

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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 statements and were approved and authorised for issue by the Board of Directors on 7 November 2023.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. 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 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

2 Related parties

<i>Significant transactions with related parties</i> <i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	904,671	1,284,346
Rendering of service	-	-	99,006	71,311
Rental income	-	-	4,242	5,883
Other income	-	-	11,499	10,688
Purchases of goods	-	-	2,089,546	2,598,692
Purchases of property, plant and equipment	-	-	3,182	9,344
Sales of property, plant and equipment	-	-	1,942	376
Dividend income	-	-	1,601,702	1,734,602
Commission expense	-	-	160,072	165,244
Other expenses	-	-	53,937	97,401
Associate				
Purchases of raw materials	63,151	81,959	42,771	57,902
Purchases of property, plant and equipment	2,681	2,805	2,681	2,805
Dividend income	16,271	17,360	16,271	17,360
Other expenses	5,217	2,833	4,796	1,948
Other income	731	695	731	695

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	Consolidated financial statements		Separate financial statements	
<i>Significant transactions with related parties For the nine-month period ended 30 September</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	115,501	103,542	39,269	36,739
Retirement benefits obligations	<u>1,840</u>	<u>1,393</u>	<u>902</u>	<u>381</u>
Total key management personnel compensation	<u>117,341</u>	<u>104,935</u>	<u>40,171</u>	<u>37,120</u>

Balances as at 30 September 2023 and 31 December 2022 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Trade receivables				
Subsidiaries	-	-	531,013	572,937
Total	<u>-</u>	<u>-</u>	<u>531,013</u>	<u>572,937</u>
Less allowance for expected credit loss	-	-	-	-
Net	<u>-</u>	<u>-</u>	<u>531,013</u>	<u>572,937</u>
Other current receivables				
Subsidiaries	-	-	17,772	19,911
Total	<u>-</u>	<u>-</u>	<u>17,772</u>	<u>19,911</u>
Expected credit losses for the nine-month period ended 30 September				
Trade receivables	-	-	-	-
Trade payables				
Subsidiaries	-	-	1,063,560	1,212,999
Associate	21,459	23,814	13,966	15,116
Total	<u>21,459</u>	<u>23,814</u>	<u>1,077,526</u>	<u>1,228,115</u>
Other payables for purchase of machineries and equipment				
Subsidiaries	-	-	4,805	9,865
Associate	-	1,505	-	1,505
Total	<u>-</u>	<u>1,505</u>	<u>4,805</u>	<u>11,370</u>
Other current payables				
Subsidiaries	-	-	417	86
Total	<u>-</u>	<u>-</u>	<u>417</u>	<u>86</u>

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3 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Within credit terms	3,920,878	3,600,397	2,807,708	2,764,226
Overdue:				
Less than 3 months	648,531	1,116,857	567,568	782,308
3 - 6 months	42,499	74,362	36,556	73,538
6 - 12 months	2,229	6,596	-	5,358
Over 12 months	566	574	-	-
Total	4,614,703	4,798,786	3,411,832	3,625,430
Less allowance for expected credit loss	(566)	(574)	-	-
Net	4,614,137	4,798,212	3,411,832	3,625,430

The normal credit terms granted by the Group range from 60 days to 160 days.

4 Inventories

Inventories as at 30 September 2023 included finished goods (made to order) of Baht 966 million (31 December 2022: Baht 975 million) in the consolidated financial statements and Baht 536 million (31 December 2022: Baht 597 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.

As at 30 September 2023, the allowance for decline in value in inventory of the Group and the Company amounting to Baht 126.7 million and Baht 53.6 million, respectively (31 December 2022: Baht 128.3 million and Baht 64.9 million, respectively).

5 Non-current assets classified as held for sale

(a) Property, plant and equipment of K.C.E. International Co., Ltd.

On 20 September 2023, K.C.E. International Co., Ltd., a subsidiary, entered into a property sale and purchase agreement with a local company to dispose of its land and buildings, in accordance with a resolution passed by a meeting of the K.C.E. International Co., Ltd.'s Board of Directors on 15 August 2023 and Extraordinary General Meeting of Shareholders on 15 September 2023. The agreement will become effective upon the fulfillment of all the terms and conditions as prescribed in the agreement. The subsidiary has expected to complete the sales of its land and buildings within 90 days from the agreement date. Therefore, as at 30 September 2023, the Group classified those assets to non-current assets classified as held for sale. On 21 September 2023, the subsidiary received advance amounting to Baht 36.4 million which has been recognised in current contract liabilities in the statement of financial position.

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On 20 September 2023, K.C.E. International Co., Ltd., a subsidiary, agreed to sell property to a local company to dispose of its machinery and plant equipment. The property sale and purchase agreement was signed on 6 October 2023. The agreement will become effective upon the fulfillment of all the terms and conditions as prescribed in the agreement. The subsidiary has expected to complete the sales of its machinery and plant equipment within 60 days from the agreement date. Therefore, as at 30 September 2023, the Group classified those assets to non-current assets classified as held for sale.

Details of non-current assets classified as held for sale as at 30 September 2023 was as follows:

	Consolidated financial statements <i>(in thousand Baht)</i>
Assets	
Property, plant and equipment	30,253
	<u>30,253</u>

6 Investments in subsidiaries and associate

	Consolidated financial statements Equity Method		Separate financial statements Cost Method	
<i>For the nine-month period ended 30 September</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	2,849,397	2,848,807
Warrant granted to associate's directors and employees	-	-	79	514
At 30 September	<u>-</u>	<u>-</u>	<u>2,849,476</u>	<u>2,849,321</u>
Associate				
At 1 January	35,764	38,291	1,642	1,642
Share of profit from investments in associate using equity method	11,157	14,404	-	-
Dividend income	(16,271)	(17,360)	-	-
Foreign currency translation differences for foreign operations	(984)	(1,648)	-	-
At 30 September	<u>29,666</u>	<u>33,687</u>	<u>1,642</u>	<u>1,642</u>

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7 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 30 September 2023 and 2022 were as follows:

<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Net book value at 1 January	8,864,068	8,978,707	5,512,632	5,734,062
Acquisitions during the period -cost	303,111	781,447	182,903	278,872
Transfer to assets held for sale - net book value	(30,253)	-	-	-
Disposals/write-off- net book value	(13,023)	(34,535)	(2,559)	(2,388)
Depreciation for the period	(790,618)	(765,630)	(449,859)	(431,814)
Difference from changes in foreign currency exchange rate	4,053	9,372	-	-
Impairment losses	(2,423)	(2,001)	-	-
Net book value at 30 September	<u>8,334,915</u>	<u>8,967,360</u>	<u>5,243,117</u>	<u>5,578,732</u>

Mortgage and pledge

- 7.1 The Company and its subsidiary, Thai Laminate Manufacturer Co., Ltd., entered into negative pledge memorandums which are part of bank overdrafts and loan facility. 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.
- 7.2 The subsidiaries have mortgaged and pledged the following property, plant and equipment.
- 7.2.1 KCE Singapore Pte., Ltd. has mortgaged its office building with a total net book value as at 30 September 2023 of Baht 135 million (*31 December 2022: Baht 138 million*), as collateral for loans from banks.
- 7.2.2 Chemtronic Products Co., Ltd. has mortgaged its construction thereon and pledged its machinery and equipment with a total net book value as at 30 September 2023 of Baht 192 million (*31 December 2022: Baht 196 million*), as collateral for loans from banks.
- 7.2.3 KCE America Partner Co., Ltd. has mortgaged its land and construction with a total net book value as at 30 September 2023 of Baht 132 million (*31 December 2022: Baht 137 million*), as collateral for loans from banks.

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8 Segment information and disaggregation of revenue

The Company and its subsidiaries' operations mainly involve business segments in manufacture and sale of prepreg and laminate, 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 nine-month period ended 30 September 2023 and 2022 is as follows:

For the nine-month period ended 30 September	Consolidated financial statements															
	Segments															
	Prepreg and Laminate		Printed Circuit Board business								Chemical business		Eliminating entries		Total	
			America		Europe		Asia		Total							
			Business													
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	(in thousand Baht)															
Information about reportable segments																
Revenues from external customers	840,815	1,191,282	2,568,129	2,370,866	5,222,904	4,981,816	3,118,246	4,718,444	10,909,279	12,071,126	499,031	571,450	-	-	12,249,125	13,833,858
Inter-segment revenues	1,765,019	2,390,608	620,651	871,181	-	-	2,133,092	2,311,580	2,753,743	3,182,761	257,928	332,323	(4,776,690)	(5,905,692)	-	-
Total revenues	2,605,834	3,581,890	3,188,780	3,242,047	5,222,904	4,981,816	5,251,338	7,030,024	13,663,022	15,253,887	756,959	903,773	(4,776,690)	(5,905,692)	12,249,125	13,833,858
Disaggregation of revenue																
Revenues from sales	2,595,060	3,577,004	3,188,780	3,242,047	5,222,904	4,981,816	5,077,036	6,798,096	13,488,720	15,021,959	756,959	903,773	(4,591,614)	(5,668,878)	12,249,125	13,833,858
Revenues from rendering of services	10,774	4,886	-	-	-	-	174,302	231,928	174,302	231,928	-	-	(185,076)	(236,814)	-	-
Total revenues	2,605,834	3,581,890	3,188,780	3,242,047	5,222,904	4,981,816	5,251,338	7,030,024	13,663,022	15,253,887	756,959	903,773	(4,776,690)	(5,905,692)	12,249,125	13,833,858
Timing of revenue recognition																
At a point in time	2,605,834	3,581,890	3,188,780	3,242,047	5,222,904	4,981,816	5,251,338	7,030,024	13,663,022	15,253,887	756,959	903,773	(4,776,690)	(5,905,692)	12,249,125	13,833,858
Total	2,605,834	3,581,890	3,188,780	3,242,047	5,222,904	4,981,816	5,251,338	7,030,024	13,663,022	15,253,887	756,959	903,773	(4,776,690)	(5,905,692)	12,249,125	13,833,858

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Consolidated financial statements																
For the nine-month period ended 30 September 2023 and 2022																
	Prepreg and		Printed Circuit Board business								Chemical business		Eliminating entries		Total	
	Laminate business		America		Europe		Asia		Total		2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(in thousand Baht)															
Segment operating profit	501,037	490,265							2,042,613	2,819,485	212,601	250,251	(270,300)	(335,646)	2,485,951	3,224,355
Unallocated profit and expenses:																
Other income															279,236	282,895
Distribution costs															(395,897)	(469,394)
Administrative expenses															(957,754)	(1,052,013)
Finance costs															(79,819)	(48,004)
Share of profit from investments in associate															11,157	14,404
Income tax expense															(82,222)	(111,393)
Profit for the period															1,260,652	1,840,850
Segment assets																
as at 30September 2023/																
31 December 2022	2,319,030	2,645,789							25,672,323	25,997,275	603,680	650,220	(8,754,013)	(8,299,803)	19,841,020	20,993,481
Segment liabilities																
as at 30 September 2023/																
31 December 2022	944,945	1,075,648							9,007,751	8,718,908	142,860	143,594	(3,536,586)	(2,389,976)	6,558,970	7,548,174

For the nine-month period ended 30 September 2023, the Group had total revenues which were converted to US dollar amounted of US dollar 357 million (2022: US dollar 402 million).

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	Separate financial statements							
	Reportable segment							
	Printed Circuit Board business							
	America		Europe		Asia		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	(in thousand Baht)							
<i>For the nine-month period ended 30 September</i>								
Disaggregation of revenue	1,855,618	1,830,111	3,846,281	4,044,111	1,503,057	1,928,300	7,204,956	7,802,522
Revenues from sales	1,855,618	1,830,111	3,846,281	4,044,111	1,404,051	1,856,989	7,105,950	7,731,211
Revenues from rendering of services	-	-	-	-	99,006	71,311	99,006	71,311
Total	1,855,618	1,830,111	3,846,281	4,044,111	1,503,057	1,928,300	7,204,956	7,802,522
Timing of revenue recognition								
At a point in time	1,855,618	1,830,111	3,846,281	4,044,111	1,503,057	1,928,300	7,204,956	7,802,522
Total	1,855,618	1,830,111	3,846,281	4,044,111	1,503,057	1,928,300	7,204,956	7,802,522

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Contract Balances

The following table provides information about receivable and contract assets from contracts with customer.

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable - net	4,614,137	4,798,212	3,411,832	3,625,430
Contract costs assets	368,016	384,229	353,976	365,046

The amount of amortisation which is included in the consolidated statement of comprehensive income for the nine-month period ended 30 September 2023 were Baht 23.6 million (2022: Baht 32.1 million) and the separate statement of comprehensive income for the nine-month period then ended were Baht 18.5 million (2022: Baht 18.6 million). There was no impairment loss recognised from the said assets.

9 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>Paid in 2023</i>				
Annual dividend	27 April 2023	12 May 2023	0.60	709
Interim dividend	8 August 2023	7 September 2023	0.60	709
<i>Paid in 2022</i>				
Annual dividend	21 April 2022	9 May 2022	1.00	1,182
Interim dividend	9 August 2022	9 September 2022	1.00	1,182

10 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the nine-month periods ended 30 September 2023 and 2022 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
<i>Nine-month period ended 30 September</i>	2023	2022	2023	2022
	<i>(in thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>1,241,178</u>	<u>1,816,919</u>	<u>1,960,232</u>	<u>2,514,829</u>
Number of ordinary shares outstanding at 1 January	1,181,965	1,181,590	1,181,965	1,181,590
Effect from ordinary shares issued during the year	<u>91</u>	<u>163</u>	<u>91</u>	<u>163</u>
Weighted average number of ordinary shares outstanding (basic)	<u>1,182,056</u>	<u>1,181,753</u>	<u>1,182,056</u>	<u>1,181,753</u>
Earnings per share (basic) (in Baht)	<u>1.05</u>	<u>1.54</u>	<u>1.66</u>	<u>2.13</u>

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Diluted earnings per share

The calculations of diluted earnings per share for the nine-month periods ended 30 September 2023 and 2022 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all diluted potential ordinary shares as follows:

<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>1,241,178</u>	<u>1,816,919</u>	<u>1,960,232</u>	<u>2,514,829</u>
Weighted average number of ordinary shares outstanding (basic)	1,182,056	1,181,753	1,182,056	1,181,753
Effect of share warrants	-	596	-	596
Weighted average number of ordinary shares outstanding (diluted)	<u>1,182,056</u>	<u>1,182,349</u>	<u>1,182,056</u>	<u>1,182,349</u>
Earnings per share (diluted) (in Baht)	<u>1.05</u>	<u>1.54</u>	<u>1.66</u>	<u>2.13</u>

11 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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		Consolidated financial statements					
		Carrying amount		Fair value			
	Note	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3
At 30 September 2023							
Financial liabilities							
Other financial liabilities:							
Forward currency exchange contracts	12	(32,434)	-	(32,434)	-	(32,434)	-
Total other financial liabilities		(32,434)	-	(32,434)			
At 31 December 2022							
Financial assets							
Other financial assets:							
Forward currency exchange contracts	12	8,370	-	8,370	-	8,370	-
Total other financial assets		8,370	-	8,370			
		Separate financial statements					
		Carrying amount		Fair value			
	Note	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3
At 30 September 2023							
Financial liabilities							
Other financial liabilities:							
Forward currency exchange contracts	12	(19,224)	-	(19,224)	-	(19,224)	-
Total other financial liabilities		(19,224)	-	(19,224)			

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As at 31 December 2022, the Company had no financial assets and liabilities measured at fair value.

The following table presents valuation technique of financial instruments measured at fair value in statement of financial position.

Type	Valuation technique
Forward exchange contracts	The fair value of foreign currency forward contracts determined the price from an agreement announced by financial institutions.

12 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Capital commitments				
Buildings and other constructions	36,572	43,082	36,572	43,082
Machinery and equipment	38,660	57,273	34,656	39,774
Total	75,232	100,355	71,228	82,856
Future minimum lease payments under non-cancellable services contracts				
Within one year	59,784	57,406	37,949	36,956
After one year but within five years	20,823	55,418	8,907	31,908
Total	80,607	112,824	46,856	68,864
Other commitments				
Unrecognized purchase orders for raw materials	488,703	986,306	133,341	203,102
Bank guarantees	42,085	50,139	37,885	45,939
Total	530,788	1,036,445	171,226	249,041

Forward exchange contracts

As at 30 September 2023, the Group had outstanding forward exchange contracts as follows:

Currency	Consolidated financial statements		Contract exchange rate (Per unit of foreign currency)
	Amount (Thousand)	Maturity date	
<i>Selling contract</i>			
US dollar	40,058	24 October 2023 – 2 April 2024	34.8600 - 36.3700
EURO	2,900	21 – 29 December 2023	38.0700 - 38.5500

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As at 30 September 2023, the Company had outstanding forward exchange contracts as follows:

Separate financial statements			
Currency	Amount (Thousand)	Maturity date	Contract exchange rate (Per unit of foreign currency)
<i>Selling contract</i>			
US dollar	24,200	13 November 2023 – 2 April 2024	34.9200 - 36.1881
EURO	2,900	21– 29December 2023	38.0700 - 38.5500

As at 31 December 2022, 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	2,341	23–25 January 2023	37.8150 – 38.1600

As at 31 December 2022, the Company had no outstanding forward exchange contracts.