

Kulthorn Kirby Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Kulthorn Kirby Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Kulthorn Kirby Public Company Limited and its subsidiaries as at 30 September 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2014, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Kulthorn Kirby Public Company Limited for the same period. 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*.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

EY Office Limited

Bangkok: 12 November 2014

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
Note	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	158,298	119,910	24,035	64,136
Trade and other receivables	2, 3 2,052,478	2,200,783	928,213	935,582
Short-term loans to related parties	3 -	-	3,869	6,429
Inventories	4 2,690,181	2,303,681	1,282,391	1,014,947
VAT receivable	151,831	67,314	109,180	30,812
Other current assets	81,005	84,718	12,256	7,896
Total current assets	5,133,793	4,776,406	2,359,944	2,059,802
Non-current assets				
Restricted bank deposit	-	410	-	-
Investments in subsidiaries	5 -	-	2,434,372	2,434,372
Property, plant and equipment	6 3,611,669	3,899,480	1,590,183	1,743,414
Goodwill on business combination	7 -	-	-	-
Intangible assets	8 75,126	55,746	20,258	11,707
Deffered tax assets	61,209	49,541	25,732	16,384
Other non-current assets	2,705	1,431	1,822	1,249
Total non-current assets	3,750,709	4,006,608	4,072,367	4,207,126
Total assets	8,884,502	8,783,014	6,432,311	6,266,928

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	As at	As at	As at	As at	
Note	30 September 2014	31 December 2013	30 September 2014	31 December 2013	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	4,043,030	3,703,463	1,870,980	1,723,294
Trade and other payables	3, 10	1,314,326	1,128,308	1,172,497	942,281
Short-term loan from related party	3	-	-	181,301	155,765
Current portion of long-term loans	11	363,200	550,000	363,200	550,000
Current portion of liabilities under					
finance lease agreements	12	19,995	18,788	15,091	13,982
Dividend payable		673	675	673	675
Income tax payable		8,663	4,347	-	-
Other current liabilities		60,920	138,219	34,929	68,032
Total current liabilities		5,810,807	5,543,800	3,638,671	3,454,029
Non-current liabilities					
Long-term loans - net of current portion	11	337,500	550,000	337,500	550,000
Liabilities under finance lease agreements - net					
of current portion	12	45,987	56,087	36,756	46,447
Provision for long-term employee benefits		133,171	122,379	62,951	57,673
Total non-current liabilities		516,658	728,466	437,207	654,120
Total liabilities		6,327,465	6,272,266	4,075,878	4,108,149

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	<u>30 September 2014</u>	<u>31 December 2013</u>	<u>30 September 2014</u>	<u>31 December 2013</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,000,000,000 ordinary shares of Baht 1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up				
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000	1,000,000	1,000,000
Share premium	500,000	500,000	500,000	500,000
Retained earnings				
Appropriated - statutory reserve	100,000	100,000	100,000	100,000
Unappropriated	771,873	713,966	756,433	558,779
Other components of shareholders' equity	<u>185,164</u>	<u>196,782</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>2,557,037</u>	<u>2,510,748</u>	<u>2,356,433</u>	<u>2,158,779</u>
Total liabilities and shareholders' equity	<u>8,884,502</u>	<u>8,783,014</u>	<u>6,432,311</u>	<u>6,266,928</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month period ended 30 September 2014**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and services income	3, 16	2,589,046	2,557,508	1,395,010	1,145,716
Other income					
Income from scrap sales	3	67,097	93,061	66,128	50,714
Gain on exchange		18,820	-	6,479	-
Interest income	3	55	32	47	8
Dividend income	3	3	-	3	-
Others		1,320	4,190	3,166	3,097
Total revenues		2,676,341	2,654,791	1,470,833	1,199,535
Expenses					
Cost of sales and services	3	2,516,558	2,465,726	1,341,603	1,120,848
Selling expenses		36,517	32,046	21,002	20,933
Administrative expenses		102,324	91,041	43,337	40,156
Loss on exchange		-	27,447	-	16,045
Total expenses		2,655,399	2,616,260	1,405,942	1,197,982
Profit before finance cost and income tax		20,942	38,531	64,891	1,553
Finance cost		(50,143)	(55,597)	(26,632)	(33,105)
Profit (loss) before income tax		(29,201)	(17,066)	38,259	(31,552)
Income tax revenue (expenses)	14	10,275	(906)	15,567	289
Profit (loss) for the period		(18,926)	(17,972)	53,826	(31,263)
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(1,236)	4,086	-	-
Other comprehensive income for the period		(1,236)	4,086	-	-
Total comprehensive income for the period		(20,162)	(13,886)	53,826	(31,263)
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders of the Company	15	(0.02)	(0.02)	0.05	(0.03)
Weighted average number of ordinary shares (shares)		1,000 million	1,000 million	1,000 million	1,000 million

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of comprehensive income (continued)****For the nine-month period ended 30 September 2014**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and services income	3, 16	8,507,600	8,029,463	4,557,569	3,556,983
Other income					
Income from scrap sales	3	250,639	269,008	196,571	176,710
Gain on exchange		39,857	-	17,353	-
Interest income	3	463	640	483	244
Dividend income	3	3	-	75,598	80,946
Others		3,749	6,797	9,972	6,104
Total revenues		8,802,311	8,305,908	4,857,546	3,820,987
Expenses					
Cost of sales and services	3	8,205,221	7,732,848	4,408,823	3,514,537
Selling expenses		91,045	82,318	44,960	45,481
Administrative expenses		289,527	280,425	129,947	120,622
Loss on exchange		-	56,044	-	30,499
Total expenses		8,585,793	8,151,635	4,583,730	3,711,139
Profit before finance cost and income tax		216,518	154,273	273,816	109,848
Finance cost		(158,344)	(174,293)	(85,511)	(105,548)
Profit (loss) before income tax		58,174	(20,020)	188,305	4,300
Income tax revenue (expenses)	14	(267)	(8,857)	9,349	441
Profit (loss) for the period		57,907	(28,877)	197,654	4,741
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(11,618)	5,119	-	-
Other comprehensive income for the period		(11,618)	5,119	-	-
Total comprehensive income for the period		46,289	(23,758)	197,654	4,741
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders of the Company	15	0.06	(0.03)	0.20	0.01
Weighted average number of ordinary shares (shares)		1,000 million	906 million	1,000 million	906 million

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of cash flows

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit (loss) before tax	58,174	(20,020)	188,305	4,300
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised (gain) loss on exchange	(8,839)	65,710	(6,736)	39,450
Reduction of inventory to net realisable value (reversal)	77,881	(9,056)	70,460	6,036
Reversal of allowance for doubtful accounts	(282)	(970)	-	(12)
Impairment for fixed assets	517	-	-	-
Depreciation and amortisation	478,361	476,888	210,559	197,752
Gains on sales of property, plant and equipment and intangible assets	(1,242)	(505)	(1,262)	(703)
Provision for long-term employee benefits	10,792	4,141	5,278	5,044
Dividend income	(3)	-	(75,598)	(80,946)
Deferred interest	3,875	2,305	3,145	1,911
Interest expenses	<u>138,859</u>	<u>161,346</u>	<u>80,809</u>	<u>101,659</u>
Income from operating activities before changes in operating assets and liabilities	758,093	679,839	474,960	274,491
Operating assets (increase) decrease				
Trade and other receivables	156,020	238,278	9,263	150,425
Inventories	(464,381)	(246,240)	(337,905)	(196,722)
Other current assets	(77,487)	(7,561)	(82,047)	(2,017)
Other non-current assets	(1,275)	(762)	(572)	(724)
Operating liabilities increase (decrease)				
Trade and other payables	186,103	7,046	237,275	(20,640)
Other current liabilities	<u>(67,784)</u>	<u>13,498</u>	<u>(30,116)</u>	<u>4,100</u>
Cash flows from operating activities	489,289	684,098	270,858	208,913
Cash paid for interest expenses	(140,793)	(165,764)	(81,456)	(102,725)
Cash paid for corporate income tax	<u>(10,936)</u>	<u>(18,980)</u>	<u>(679)</u>	<u>(362)</u>
Net cash flows from operating activities	<u>337,560</u>	<u>499,354</u>	<u>188,723</u>	<u>105,826</u>

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Proceeds from sales of property, plant and equipment and intangible assets	5,147	2,315	1,983	1,611
Acquisition of property, plant and equipment and intangible assets	(212,818)	(261,309)	(62,611)	(69,613)
Short-term loans to related parties	-	-	2,560	-
Dividend income	3	-	75,598	80,946
Decrease in restricted bank deposit	410	-	-	-
Net cash flows from (used in) investing activities	(207,258)	(258,994)	17,530	12,944
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	331,395	179,261	141,838	220,709
Repayment of short-term loans from related parties	-	(37,082)	(104,000)	(30,500)
Increase in short-term loans from related parties	-	-	129,536	106,491
Repayment of long-term loans	(399,300)	(437,500)	(399,300)	(437,500)
Cash paid for liabilities under hire-purchase and financial lease agreements	(19,298)	(15,548)	(14,428)	(10,525)
Cash received from increase in share capital	-	300,000	-	300,000
Dividend paid	-	(170,000)	-	(170,000)
Net cash flows used in financing activities	(87,203)	(180,869)	(246,354)	(21,325)
Increase (decrease) in translation adjustment	(4,711)	(4,538)	-	-
Net increase (decrease) in cash and cash equivalent	38,388	54,953	(40,101)	97,445
Cash and cash equivalent at beginning of period	119,910	97,236	64,136	14,721
Cash and cash equivalent at end of period	158,298	152,189	24,035	112,166
Supplement cash flows information				
1) Non-cash related transaction for investing activities				
Net increase (decrease) in trust receipt and other accounts payable for purchases of fixed assets	(3,780)	(4,116)	1,291	(5,587)
2) Non-cash related transaction for financing activities				
Accrued dividend	673	581	673	581
Assets acquired under hire-purchase and financial lease agreements	6,530	18,308	2,700	9,711

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

Consolidated financial statements								
					<u>Other components of shareholders' equity</u>			
					<u>Other comprehensive</u>			
					<u>income</u>	Surplus from		
					Exchange difference	business	Total other	
					on translation of	combination	components of	Total
					financial statements	under	shareholders'	shareholders'
					in foreign currency	common control	equity	equity
Issued and	Share	Retained earnings						
fully paid-up	premium	Appropriated -	Unappropriated					
share capital		statutory reserve						
Balance as at 31 December 2012	850,000	350,000	90,601	892,482	(12,083)	207,898	195,815	2,378,898
Ordinary share capital increased during the period (Note 13)	150,000	150,000	-	-	-	-	-	300,000
Dividend paid (Note 17)	-	-	-	(170,000)	-	-	-	(170,000)
Loss for the period	-	-	-	(28,877)	-	-	-	(28,877)
Other comprehensive income for the period	-	-	-	-	5,119	-	5,119	5,119
Balance as at 30 September 2013	<u>1,000,000</u>	<u>500,000</u>	<u>90,601</u>	<u>693,605</u>	<u>(6,964)</u>	<u>207,898</u>	<u>200,934</u>	<u>2,485,140</u>
Balance as at 31 December 2013	1,000,000	500,000	100,000	713,966	(11,116)	207,898	196,782	2,510,748
Profit for the period	-	-	-	57,907	-	-	-	57,907
Other comprehensive income for the period	-	-	-	-	(11,618)	-	(11,618)	(11,618)
Balance as at 30 September 2014	<u>1,000,000</u>	<u>500,000</u>	<u>100,000</u>	<u>771,873</u>	<u>(22,734)</u>	<u>207,898</u>	<u>185,164</u>	<u>2,557,037</u>

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2012	850,000	350,000	90,601	469,611	1,760,212
Ordinary share capital increased during the period (Note 13)	150,000	150,000	-	-	300,000
Dividend paid (Note 17)	-	-	-	(170,000)	(170,000)
Total comprehensive income for the period	-	-	-	4,741	4,741
Balance as at 30 September 2013	1,000,000	500,000	90,601	304,352	1,894,953
Balance as at 31 December 2013	1,000,000	500,000	100,000	558,779	2,158,779
Total comprehensive income for the period	-	-	-	197,654	197,654
Balance as at 30 September 2014	1,000,000	500,000	100,000	756,433	2,356,433

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2014

1. General information

1.1 Corporate information

Kulthorn Kirby Public Company Limited (“the Company”) was incorporated as a limited company under Thai law and transformed to be a public company on 13 September 1994. The Company is domiciled in Thailand and principally engaged in the manufacturing and distribution of hermetic compressors, with its registered address at 126 Soi Chalongkrung 31, Chalongkrung Road, Khwaeng Lamplatew, Khet Latkrabang, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements included the financials statements of Kulthorn Kirby Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. There have been no changes in the composition of its subsidiaries during the period.

1.4 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company or do not have a significant impact.

(b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

(Unaudited but reviewed)

2. Trade and other receivables

The outstanding balance of trade accounts receivable as at 30 September 2014 and 31 December 2013 categorised by their aging from due dates is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Trade receivables - related parties</u>				
Not yet due	71,276	71,562	118,015	73,489
Overdue				
Less than 3 months	19,353	24,365	23,833	25,461
3 - 6 months	1,542	12,755	1,291	7,293
6 - 12 months	2,844	446	2,362	-
Over 12 months	9,819	13,839	7,321	11,981
Total trade receivables - related parties	104,834	122,967	152,822	118,224
<u>Trade receivables - unrelated parties</u>				
Not yet due	1,119,556	1,567,768	312,010	715,270
Overdue				
Less than 3 months	797,381	478,541	454,310	91,210
3 - 6 months	8,470	10,269	5,339	4,495
6 - 12 months	654	1,092	14	-
Over 12 months	22,337	21,349	294	418
Total	1,948,398	2,079,019	771,967	811,393
Less: Allowance for doubtful debts	(6,206)	(6,488)	(418)	(418)
Total trade receivables - unrelated parties, net	1,942,192	2,072,531	771,549	810,975
Total trade receivables - net	2,047,026	2,195,498	924,371	929,199
<u>Other receivables</u>				
Advances - related party	2,469	2,422	1,932	3,842
Other	2,983	2,863	1,910	2,541
Total other receivables	5,452	5,285	3,842	6,383
Total trade and other receivables - net	2,052,478	2,200,783	928,213	935,582

(Unaudited but reviewed)

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties mainly in respect of sales and purchases of goods. Such transactions have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company, the subsidiaries and those parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2014	2013	2014	2013	
<i>Transactions with subsidiaries</i>					
<i>(eliminated from the consolidated financial statements)</i>					
Purchases of goods	-	-	457,661	275,353	Market price
Sales and service income and scrap sales	-	-	172,502	103,637	Approximate market price
Sales of machine	-	-	809	-	Mutually agreed price
Interest income	-	-	47	9	Interest rate at 3.25 percent per annum
Other income	-	-	2,166	1,019	Mutually agreed price as stipulated in the contract
Rental income	-	-	633	571	Mutually agreed price as stipulated in the contract
Other expenses	-	-	2	403	Mutually agreed price as stipulated in the contract
Interest expenses	-	-	218	30	Interest rate at 0.25 - 3.95 percent per annum (2013: 0.25 percent per annum)
<i>Transactions with related parties</i>					
Sales and service income and scrap sales	132,646	172,385	88,845	113,965	Approximate market price
Purchases of goods	36,084	23,019	31,112	13,807	Market price
Rental expense	4,395	2,807	-	-	Mutually agreed price as stipulated in the contract
Dividend income	-	-	3	-	According to declaration
Other income	-	63	1	43	Mutually agreed price as stipulated in the contract
Interest expenses	-	89	-	-	Interest rate at 3.50 percent per annum
Other expenses	1,852	477	-	-	Mutually agreed price as stipulated in the contract

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Purchases of goods	-	-	1,454,831	1,187,139	Market price
Sales and service income and scrap sales	-	-	402,645	333,970	Approximate market price
Sales of vehicle	-	-	-	500	Mutually agreed price
Sales of machine	-	-	809	-	Mutually agreed price
Dividend income	-	-	75,595	80,946	According to declaration
Other income	-	-	8,649	2,576	Mutually agreed price as stipulated in the contract
Rental income	-	-	1,898	1,675	Mutually agreed price as stipulated in the contract
Interest income	-	-	161	9	Interest rate at 3.25 percent per annum
Other expenses	-	-	15	2,191	Mutually agreed price as stipulated in the contract
Interest expenses	-	-	1,638	701	Interest rate at 0.25 - 3.95 percent per annum (2013: 0.25 - 4.50 percent per annum)
<u>Transactions with related parties</u>					
Sales and service income and scrap sales	445,823	493,836	272,905	315,535	Approximate market price
Purchases of goods	87,009	73,070	68,964	49,771	Market price
Rental expense	10,010	8,422	-	-	Mutually agreed price as stipulated in the contract
Interest expenses	-	727	-	-	Interest rate at 3.50 percent per annum
Dividend income	-	-	3	-	According to declaration
Other income	91	237	88	70	Mutually agreed price as stipulated in the contract
Rental income	-	114	-	-	Mutually agreed price as stipulated in the contract
Other expenses	3,440	1,891	-	-	Mutually agreed price as stipulated in the contract

(Unaudited but reviewed)

The outstanding balances of the accounts as at 30 September 2014 and 31 December 2013 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Trade and other receivables - related parties</u>				
(Note 2)				
Subsidiary companies	-	-	86,335	41,132
Related companies (related by common director/shareholder)	107,303	125,389	68,419	80,934
Trade and other receivables - related parties	107,303	125,389	154,754	122,066
<u>Trade and other payables - related parties</u>				
(Note 10)				
Subsidiary companies	-	-	612,523	512,438
Related companies (related by common director/ shareholder)	50,178	26,572	22,212	19,714
Total trade and other payables - related parties	50,178	26,572	634,735	532,152

During the nine-month period ended 30 September 2014, short-term loan of the Company from related party had the following movements:

	(Unit: Thousand Baht)		
	Separate financial statements		
	Balance as at 1 January 2014	Decrease during the period	Balance as at 30 September 2014
<u>Short-term loan from related party</u>			
Kulthorn Premier Co., Ltd.	104,000	(4,000)	100,000
Total	104,000	(4,000)	100,000

On 1 August 2013, the Company entered into Liquidity Management Agreement (Cash Sweep) with its subsidiaries to balance out cash shortfalls and surpluses of each company. The Company assigns a commercial bank to transfer the balance of the Company and its subsidiaries to the specified accounts in accordance with the terms and condition set forth in the agreement, for liquidity management purposes under terms and conditions of the Agreement.

(Unaudited but reviewed)

Each transfer of balances from one account to another account will be treated as lending between the Company and its subsidiaries and interest will be calculated at agreed rate as stipulated in the Agreement.

As at 30 September 2014 and 31 December 2013, the Company and its subsidiaries had outstanding short-term loans from the above agreement as follows:

	(Unit: Thousand Baht)	
	30 September 2014	31 December 2013
<u>Short-term loans to subsidiaries</u>		
Kulthorn Materials and Controls Co., Ltd.	-	3,359
Kulthorn Metal Product Co., Ltd.	3,869	918
Kulthorn Steel Co., Ltd.	-	2,152
Total short-term loans to subsidiaries	3,869	6,429
<u>Short-term loans from subsidiaries</u>		
Kulthorn Kirby Foundry Co., Ltd.	28,357	28,162
Kulthorn Premier Co., Ltd.	29	23,603
Kulthorn Steel Co., Ltd.	45,416	-
Kulthorn Materials and Controls Co., Ltd.	7,499	-
Total short-term loans from subsidiaries	81,301	51,765

Directors and management's remuneration

During the periods ended 30 September 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	8,538	11,767	4,394	5,188
Post-employment benefits	200	195	78	74
Total	8,738	11,962	4,472	5,262

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	25,865	31,265	13,184	13,446
Post-employment benefits	600	585	235	221
Total	<u>26,465</u>	<u>31,850</u>	<u>13,419</u>	<u>13,667</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 18.4 to the financial statements.

4. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2014	60,701	23,672
Reduction of inventory to net realisable value	<u>77,881</u>	<u>70,460</u>
Balance as at 30 September 2014	<u>138,582</u>	<u>94,132</u>

(Unaudited but reviewed)

5. Investments in subsidiaries

As at 30 September 2014 and 31 December 2013, the Company has long-term investments in ordinary share of the following companies:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)				
Kulthorn Kirby Foundry Company Limited	475,000	475,000	100	100	639,999	639,999	-	-
Kulthorn Premier Company Limited	1,260,000	1,260,000	100	100	1,936,751	1,936,751	75,595	40,946
Kulthorn Steel Company Limited	400,000	400,000	100	100	399,999	399,999	-	40,000
Kulthorn Materials and Controls Company Limited	350,000	350,000	100	100	240,630	240,630	-	-
Total					3,217,379	3,217,379	75,595	80,946
Less: Allowance for impairment loss on investments in subsidiaries					(783,007)	(783,007)	-	-
Investments in subsidiaries - net					2,434,372	2,434,372	75,595	80,946

(Unaudited but reviewed)

6. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	3,899,480	1,743,414
Acquisitions during the period - at cost	196,970	57,191
Disposals during the period - net book value at disposal date	(3,882)	(698)
Depreciation for the period	(473,655)	(209,724)
Allowance for impairment of assets	(517)	-
Translation adjustment	(6,727)	-
Net book value as at 30 September 2014	<u>3,611,669</u>	<u>1,590,183</u>

The Company and its subsidiaries have mortgaged and negative pledged their land and building thereon and machinery with financial institutions to secure against credit facilities and loans obtained from those financial institutions as discussed in Note 9 and 11 to the financial statements.

7. Goodwill on business combination

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Goodwill on business combination	37,620	37,620	-	-
Less: Accumulated impairment loss	(37,620)	(37,620)	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

8. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	55,746	11,707
Acquisitions during the period - at cost	24,288	9,409
Disposals during the period - net book value at disposal date	(23)	(23)
Amortisation for the period	(4,706)	(835)
Translation adjustment	(179)	-
Net book value as at 30 September 2014	<u>75,126</u>	<u>20,258</u>

9. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
Bank overdrafts	7.38 - 7.50	24,878	19,198	3,392	580
Short-term loans	3.95 - 5.25	1,058,370	1,585,678	593,370	569,100
Trust receipts	1.65 - 9.00	1,934,484	1,527,699	701,240	582,726
Packing credit	2.35 - 7.28	1,025,298	570,888	572,978	570,888
Total		<u>4,043,030</u>	<u>3,703,463</u>	<u>1,870,980</u>	<u>1,723,294</u>

Bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries are secured by a mortgage and negative pledge of their land, building and machinery.

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Trade payables - related parties	22,761	20,474	526,189	494,851
Trade payables - unrelated parties	932,382	864,599	410,816	317,220
Other payables - related parties	27,417	6,098	108,361	37,268
Other payables - unrelated parties	134,981	120,457	50,056	49,982
Accrued interest expenses - related parties	-	-	185	33
Accrued interest expenses - unrelated parties	2,244	4,176	768	1,567
Accrued expenses	194,541	112,504	76,122	41,360
Total trade and other payables	<u>1,314,326</u>	<u>1,128,308</u>	<u>1,172,497</u>	<u>942,281</u>

11. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Long-term loans	700,700	1,100,000	700,700	1,100,000
Less: Current portion of long-term loans	(363,200)	(550,000)	(363,200)	(550,000)
Long-term loans, net of current portion	<u>337,500</u>	<u>550,000</u>	<u>337,500</u>	<u>550,000</u>

Movements of the long-term loans account during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate financial
	financial statements	statements
Balance as at 1 January 2014	1,100,000	1,100,000
Less: Repayment during the period	<u>(399,300)</u>	<u>(399,300)</u>
Balance as at 30 September 2014	<u>700,700</u>	<u>700,700</u>

(Unaudited but reviewed)

During 2010, the Company and its subsidiaries entered into a new Credit Facility Agreement with two commercial banks to obtain loan facilities including long-term loan facility, working capital facility, contingent facility and hedging facility.

In November 2010, the Company drawdown Baht 2,400 million loan from the banks, the loan shall be repaid within the year 2015. The repayment of the principal is to be made in 21 quarterly installments, of Baht 100 million each for the 1st quarter, the 3rd quarter, and the 4th quarter of each year and Baht 200 million for the 2nd quarter of each year, with the first installment to be paid in December 2010.

In April 2011, the Company and its subsidiaries entered into the First Amendment to Credit Facilities Agreement to obtain additional credit facilities. The Company drawdown additional Baht 200 million loan from the banks. Furthermore, the Company and its subsidiaries entered into the Second Amendment and Novation Agreement to Credit Facility Agreement in December 2011, in order to make a new commercial bank be the Acceding Lender for the existing Credit Facility Agreement and the Company and its subsidiaries obtained additional credit facilities including long-term loan of Baht 200 million. The additional long-term loan amount was drawdown in year 2012, and to be repaid within year 2015 by 16 quarterly installments, of Baht 12.5 million each. The first installment is to be paid in March 2012.

The loan is subject to interest at the rate with reference to THBFIX, and interest is to be paid on a monthly basis.

Under the loan agreement, the Company has to comply with certain conditions including maintaining interest bearing debt to EBITDA ratio not exceeding 5:1 for the consolidated financial statements, debt to equity ratio for the consolidated financial statements not exceeding 5:1 in Financial Year 2010; 4:1 in Financial Year 2011; 3.5:1 in Financial Year 2012; and 2.75:1 from 1 January 2013 onwards, current ratio for consolidated financial statements not less than 1:1, and debt service coverage ratio for the consolidated financial statements not less than 1.2:1.

As at 27 December 2013, the Company and its subsidiaries received the waiver letter for maintain covenant ratio from all lenders for the year ended 31 December 2013. The Company and its subsidiaries have to comply with certain conditions including maintaining interest bearing debt to EBITDA ratio not exceeding 5.5:1, current ratio for consolidated financial statements not less than 0.95:1 and debt service coverage ratio for the consolidated financial statements not less than 1.10:1. As at 31 December 2013, the Company and its subsidiaries could maintain all conditions in the waiver letter and the loan agreement.

(Unaudited but reviewed)

As at 30 June 2014, the Company and its subsidiaries received the waiver letter for maintain covenant ratio from all lenders for the period ended 30 June 2014. The Company and its subsidiaries have to comply with certain conditions including maintaining interest bearing debt to EBITDA ratio not exceeding 6:1, current ratio for consolidated financial statements not less than 0.95:1 and debt service coverage ratio for the consolidated financial statements not less than 0.90:1. As at 30 June 2014, the Company and its subsidiaries could maintain all conditions in the waiver letter and the loan agreement.

During the nine-month period ended 30 September 2014, the Company and its subsidiaries have not entered into any new loan agreement with financial institution.

Long-term loans from bank are guaranteed by the mortgage and pledge of the Company's and subsidiaries' property, plant and machinery.

The Company has entered into a cross currency interest rate swap contract for a portion of the above loan as discussed in Note 19 to the financial statements.

12. Liabilities under financial lease agreements

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Liabilities under financial lease agreements	74,215	86,911	58,725	70,206
Less: Deferred interest	(8,233)	(12,036)	(6,878)	(9,777)
Total	65,982	74,875	51,847	60,429
Less: Current portion due within one year	(19,995)	(18,788)	(15,091)	(13,982)
Liabilities under financial lease agreements, net of current portion	45,987	56,087	36,756	46,447

The Company and its subsidiaries have entered into the finance lease agreements for rental of machinery and motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

13. Share capital

On 25 April 2013, the Annual General Meeting of the shareholders No. 34/2013 had approved to change the allotment of 150,000,000 new ordinary shares at the par value of Baht 1 per share from offering to private placement for sales of those shares to existing shareholders pursuant to their shareholdings in the Company at the proportion of 17 existing shares to 3 new shares at the subscription price of Baht 2 per share. The Company had registered the increase in its registered share capital with the Ministry of Commerce on 21 June 2013 and already received all share capital increase in June 2013.

(Unaudited but reviewed)

14. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	2,975	(1,351)	11,935	8,431
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(13,250)</u>	<u>2,257</u>	<u>(11,668)</u>	<u>426</u>
Income tax expense (revenue) reported in the statements of comprehensive income	<u>(10,275)</u>	<u>906</u>	<u>267</u>	<u>8,857</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(15,567)</u>	<u>(289)</u>	<u>(9,349)</u>	<u>(441)</u>
Income tax revenue reported in the statements of comprehensive income	<u>(15,567)</u>	<u>(289)</u>	<u>(9,349)</u>	<u>(441)</u>

15. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

(Unaudited but reviewed)

16. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2014 and 2013, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September																	
	Compressors		and parts		Enameled wire		Steel sheet		Steel coil center		Others		Total Segments		Adjustments and		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013		
Revenue																		
External customers	1,659	1,583	418	459	268	235	219	253	25	27	2,589	2,557	-	-	2,589	2,557		
Inter-segment	156	86	183	137	221	141	153	93	32	26	745	483	(745)	(483)	-	-		
Total revenue	1,815	1,669	601	596	489	376	372	346	57	53	3,334	3,040	(745)	(483)	2,589	2,557		
Results																		
Segment gross profit	60	61	(15)	(45)	15	(4)	(20)	32	2	7	42	51	30	40	72	91		
Other income															68	97		
Selling and distribution expenses															(36)	(32)		
Administrative expenses															(102)	(91)		
Gain (loss) on exchange															19	(27)		
Finance cost															(50)	(55)		
Loss before income tax															(29)	(17)		
Income (expenses) tax expenses															10	(1)		
Loss for the period															(19)	(18)		

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Compressors										Adjustments and		Consolidated			
	and parts		Enameled wire		Steel sheet		Steel coil center		Others		Total Segments		eliminations			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue																
External customers	5,552	4,839	1,421	1,551	709	802	747	782	79	55	8,508	8,029	-	-	8,508	8,029
Inter-segment	352	268	607	638	640	459	495	355	108	98	2,202	1,818	(2,202)	(1,818)	-	-
Total revenue	<u>5,904</u>	<u>5,107</u>	<u>2,028</u>	<u>2,189</u>	<u>1,349</u>	<u>1,261</u>	<u>1,242</u>	<u>1,137</u>	<u>187</u>	<u>153</u>	<u>10,710</u>	<u>9,847</u>	<u>(2,202)</u>	<u>(1,818)</u>	<u>8,508</u>	<u>8,029</u>
Results																
Segment gross profit	164	134	(116)	(135)	47	12	93	152	27	18	215	181	87	115	302	296
Other income															254	276
Selling and distribution expenses															(91)	(82)
Administrative expenses															(289)	(280)
Gain (loss) on exchange															40	(56)
Finance cost															(158)	(174)
Profit (loss) before income tax															58	(20)
Income tax expenses															-	(9)
Profit (loss) for the period															<u>58</u>	<u>(29)</u>

(Unaudited but reviewed)

17. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Dividend paid</u> (Million Baht)	<u>Divided paid per share</u> (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 25 April 2013	170	0.2
Total for 2013		<u>170</u>	<u>0.2</u>

The Company already paid such dividend in May 2013.

18. Commitment and contingent liabilities

18.1 Capital commitments

As at 30 September 2014, the Company and its subsidiaries have capital commitments of approximately Baht 14.8 million (31 December 2013: Baht 25.2 million) and the Company only: Baht 8.0 million (31 December 2013: Baht 10.9 million), relating to the construction, acquisition of machinery and computer software.

18.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, motor vehicles, and office equipment. The terms of the agreements are generally between 1 and 3 years. Future minimum lease payments required under these operating leases agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Payable within:				
In up to 1 year	27.3	23.9	0.4	0.4
In over 1 year and up to 3 years	21.3	33.0	0.3	0.5

(Unaudited but reviewed)

18.3 Long-term service commitments

- a) The Company and its subsidiaries have commitments relating to service agreements payable in the future as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Payable within:				
In up to 1 year	10.5	12.8	3.6	2.3
In over 1 year	0.8	1.8	0.1	0.3

- b) A subsidiary company entered into technical license and royalty agreement with an oversea company. Under the agreement the subsidiary company has obliged to pay license and royalty fee to that company at the rate stipulated in the agreement. The agreement has been in effect since 15 July 2004 and shall continue unless cancelled by either party.

As at 30 September 2014, the subsidiary has outstanding royalty fees amounting to approximately Baht 17.6 million (31 December 2013: Baht 17.6 million) which was included in other current liabilities.

- c) The Company and its subsidiaries have commitments related to sales commissions payable to sale agents at the rate stipulated in the agreements or rate agreed between parties.

18.4 Guarantees

- a) As at 30 September 2014, the Company and Kulthorn Materials and Controls Company Limited have contingent liability relating to the guarantee of credit facility of Suzhou Kulthorn Magnet Wire Co., Ltd. to an oversea branch of a commercial bank amounting to RMB 100 million or equivalent to Baht 526.6 million (31 December 2013: RMB 100 million or equivalent to a total of Baht 540.9 million).
- b) As at 30 September 2014, there were outstanding bank guarantees of approximately Baht 79.7 million (31 December 2013: Baht 78.3 million), the Company only: Baht 23.6 million (31 December 2013: Baht 22.3 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. These include letter of guarantee to guarantee electricity usage amounting to Baht 75.0 million (31 December 2013: Baht 73.9 million), the Company only: Baht 19.2 million (31 December 2013: Baht 18.3 million) and to guarantee import duty and others amounting to Baht 4.7 million (31 December 2013: Baht 4.4 million), the Company only: Baht 4.3 million (31 December 2013: Baht 4.0 million).

(Unaudited but reviewed)

19. Foreign currency risk and interest rate risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from purchases and sales of goods in foreign currencies, and to interest rate risk from fluctuation in interest rate. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts which generally mature within one year, and cross currency interest rate swap contract when they consider appropriate.

Below is the summary of the Company and its subsidiaries' foreign currencies-denominated financial assets/liabilities.

As at 30 September 2014

Foreign currency	Consolidated		Separate		Exchange rate	
	financial statements		financial statements		Buying	Selling
	Financial assets	Financial liabilities	Financial assets	Financial liabilities		
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency unit)	
US dollar	16	64	9	29	32.2304	32.5161
Japanese yen	-	1	-	-	0.2932	0.2989
Euro	1	-	1	-	40.7695	41.3681

As at 31 December 2013

Foreign currency	Consolidated		Separate		Exchange rate	
	financial statements		financial statements		Buying	Selling
	Financial assets	Financial liabilities	Financial assets	Financial liabilities		
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency unit)	
US dollar	21	68	16	33	32.6778	32.9494
Japanese yen	-	13	-	1	0.3102	0.3159
Switzerland franc	3	5	-	-	36.4022	36.9930
Euro	1	-	1	-	44.7210	45.3223

As at 30 September 2014, the Company and its subsidiaries had outstanding forward exchange contracts with maturities less than one year and cross currency interest rate swap contract as follows:

(Unaudited but reviewed)

Forward exchange contracts

The Company and its subsidiaries had outstanding forward exchange contract as follows:

As at 30 September 2014					
Consolidated financial statements					
Foreign currency	Bought	Sold	Contractual maturity date	Contractual exchange rate	
	amount	amount		Bought amount	Sold amount
	(Million)	(Million)		(Baht per one foreign currency unit)	
US Dollar	3.3	5.2	28 November 2014 - 2 March 2015	32.15 - 32.89	32.10 - 32.41

As at 31 December 2013					
Consolidated financial statements					
Foreign currency	Bought	Sold	Contractual maturity date	Contractual exchange rate	
	amount	amount		Bought amount	Sold amount
	(Million)	(Million)		(Baht per one foreign currency unit)	
US Dollar	6.1	17.7	2 January - 20 June 2014	32.49 - 32.80	29.10 - 32.50

As at 30 September 2014					
Separate financial statements					
Foreign currency	Bought	Sold	Contractual maturity date	Contractual exchange rate	
	amount	amount		Bought amount	Sold amount
	(Million)	(Million)		(Baht per one foreign currency unit)	
US Dollar	2.0	3.7	16 January - 2 March 2015	32.15	32.10 - 32.17

As at 31 December 2013					
Separate financial statements					
Foreign currency	Bought	Sold	Contractual maturity date	Contractual exchange rate	
	amount	amount		Bought amount	Sold amount
	(Million)	(Million)		(Baht per one foreign currency unit)	
US Dollar	6.1	11.5	23 January - 20 June 2014	32.49 - 32.80	29.10 - 32.45

(Unaudited but reviewed)

Cross currency interest rate swap contract

On 4 March 2011, the Company entered into a cross currency interest rate swap contract with a bank for a principal of Baht 1,500 million, with effective date on 30 September 2011, and has entered into an amendment on 21 November 2012 to transmit some terms and conditions for outstanding principal of Baht 1,162.5 million. Termination date of the contract is 31 December 2015. The objectives of the contract after amendment are

1. to convert loan in Thai Baht of 1,037.5 million to USD 33.8 million.
2. to calculate the interest for the loan of Baht 1,162.5 million whereby loan principal of Baht 1,162.5 million be converted to USD 37.9 million and interest calculation be changed from floating interest rate of THB-THBFIX-Reuters plus 3% per annum calculated on the balance of THB notional amount to floating interest rate of USD-LIBOR-BBA plus 4.22% per annum calculated on the balance of USD notional amount.

As at 30 September 2014, fair value of cross currency interest rate swap contract is lower than trade date of Baht 24.3 million (31 December 2013: Baht 51.6 million).

Fair value of cross currency interest rate swap contract has been calculated using rate quoted by the Company's banker as if the contract was terminated at the end of reporting period.

Commodity hedge agreements

A subsidiary had outstanding copper swap agreements, of which details are presented below.

As at 30 September 2014

Type of goods	Quantity	Maturity date	Contract price	Market price
	(Ton)		(per unit)	(per unit)
Copper	100	November 2014 - February 2015	RMB 48,047 - 50,858	RMB 47,690 - 48,490

As at 31 December 2013

Type of goods	Quantity	Maturity date	Contract price	Market price
	(Ton)		(per unit)	(per unit)
Copper	90	January - July 2014	USD 6,890 - 6,925	USD 7,395
Copper	170	March - September 2014	RMB 49,070 - 50,690	RMB 52,310 - 52,460

20. Approval of interim financial statements

These interim financial statements have been authorised for issue by the Company's authorised directors on 12 November 2014.