

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

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Notes to the financial statements

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

The financial statements issued for Thai statutory and 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 12 February 2013.

1 General information

KCE Electronics Public Company Limited (“the Company”) was incorporated as a limited company under Thai law and was transformed to be a public limited company under the Public Limited Companies Act on 21 December 1992. The Company has its registered office at No. 125-125/1, 1 Moo 4 Lat Krabang Industrial Estate, Kwang Lumplatew, Khet Lat Krabang, Bangkok.

The principal business of the Company is the manufacture and distribution of printed circuit board products. Details of the Company’s subsidiaries as at 31 December 2012 and 2011 are given in notes 6 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

As at 31 December 2012, the FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 34.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in accounting policies.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand.

(d) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

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3 Impact of severe flooding in Thailand

During the fourth quarter of the year 2011, there was severe flooding in Thailand. The location of KCE Technology Co., Ltd., a subsidiary's factory and offices, was inundated. The damages from the flood incident are estimated to be approximately Baht 1,712 million which consist of damages to fixed assets of Baht 1,115 million, damages to inventories of Baht 433 million and other damages of Baht 164 million. The loss from the incidents is covered by the subsidiary's insurance, which covers all risks and business interruption. The management of the Company and its subsidiary is virtually certain that there is insurance coverage for all of the losses. As at 31 December 2011, the subsidiary recognised insurance claim receivable from property damage of Baht 1,548 million and business interruption loss of Baht 70 million.

For the year ended 31 December 2012, KCE Electronics Public Company Limited, KCE Technology Co., Ltd.(subsidiary), Thai Laminate Manufacturer Co., Ltd.(subsidiary), and KCE (Thailand) Co., Ltd.(subsidiary) recognised compensation from insurance claim for business interruption of Baht 10 million, Baht 467 million, Baht 10 million, and Baht 10 million, respectively.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

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Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in determine income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Currency option agreements

Currency option agreements are contracts between two parties whereby the seller grants the buyer a future option to buy (call option) or to sell (put option) foreign currency at an exchange rate stipulated in the agreement. the Group enters into such agreements in order to manage foreign exchange risk.

The notional amounts of cross currency option agreements utilised by the Group to manage foreign exchange risk are not recognised as assets or liabilities upon inception of the agreement, but fees paid by the Group in respect of such agreements are amortised on a straight-line basis over the term of the agreements.

Cross currency and interest rate swap agreements

Cross currency and interest rate swap agreements are contracts between the Group and counterparties to exchange amounts of principal denominated in different currencies upon inception of the agreements, either over the term of the agreement or on maturity, depending on the terms of the agreements made with the counterparties. In addition, each counterparty receives or pays interest in amounts calculated on the basis of the pre-determined principal and interest rates throughout the term of the agreements.

With regard to amounts receivable or payable under cross currency and interest rate swap agreements which the Group use to manage foreign exchange and interest rate risk, receivables or payables under cross currency agreements are translated at the rate of exchange applying on the end of reporting period, with unrealised gains or losses on such translation included in profit or loss. The differential to be paid or received by the Group under interest rate swap agreements is recognised as an adjustment to interest income or interest expense over the term of the agreement. Gains or losses arising upon the termination of agreements or the early settlement of the underlying liabilities are recognised in profit or loss. Receivables and payables under cross currency and interest rate swap agreements are presented net in the statement of financial position.

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Commodities hedge agreements

The Group enters into commodities hedge agreements whereby the Group are committed to purchase commodities at the price and quantity as stipulated in the agreements. The Group enters into such agreements in order to manage such risk. The Group recognises unrealised gains or losses on the change of fair value of such commodities hedge agreements in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries entities in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

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Buildings and plant	20 - 25 years
Machinery and plant equipment	5 - 20 years
Plant and building improvement	5 - 20 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licences	5 - 15 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an exceeds its recoverable

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amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed regularly by a qualified actuary using the projected unit credit method.

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When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

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Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided taking into account the stage of completion.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(t) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

5 Acquisition of subsidiary

On 2 October 2012, the Group obtained a controlling interest of Chemtronic Technology (Thailand) Co., Ltd. (“Chemtronic”), which is engaged in the business of operating a factory manufacturing ink for printed circuit board and chemical solution used in the production of printed circuit board by acquiring ordinary shares at the proportion of 97.25% of the total issued and fully paid up shares. Taking control of Chemtronic will enable the Group to increase profitability in the production process and have enough chemicals while shortage.

For the period from 2 October 2012 to 31 December 2012, Chemtronic contributed revenue of Baht 69 million and profit of Baht 26 million to the Group’s results. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue for the year ended 31 December 2012 would have been Baht 284 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

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

Identifiable assets acquired, liabilities assumed and goodwill

	Carrying amounts	Fair value adjustments (in thousand Baht)	Recognised values
Cash and cash equivalents	63,058	-	63,058
Trade and other receivables	48,960	-	48,960
Inventories	13,373	-	13,373
Property, plant and equipment	61,149	30,664	91,813
Other liabilities	(59,253)	-	(59,253)
Total identifiable net assets	127,287	30,664	157,951
Interest in acquire			97.25%
Net identifiable assets acquired and liabilities assumed			153,607
Total consideration transferred			(233,400)
Goodwill			79,793

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The goodwill is attributable mainly to the skills and technical talent of Chemtronic's work force, and the synergies expected to be achieved from integrating Chemtronic into the Group's business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above determined fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

6 Related parties

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

Relationships with subsidiaries and associates entities are described in notes 10 and 11. Relationships with key management and other related parties were as follows:

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

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The pricing policies for particular types of transactions are explained further below:

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

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>For the years ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Subsidiaries				
Sale of goods	-	-	168	276
Rendering of service	-	-	21	17
Rental income	-	-	5	4
Other income	-	-	10	7
Sales of property, plant and equipment	-	-	1	1
Purchases of goods	-	-	1,022	1,089
Purchases of property, plant and equipment	-	-	18	6
Other expense	-	-	7	-
Dividend income	-	-	72	-
Associates				
Sales of goods	1,037	1,171	598	575
Purchase of raw material	59	52	17	18
Commission expense	53	50	29	29
Purchases of property, plant and equipment	8	-	4	-
Other expense	5	6	2	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	78	72	40	35
Share-based payments	5	-	3	-
Total key management personnel compensation	<u>83</u>	<u>72</u>	<u>43</u>	<u>35</u>

Balances as at 31 December with related parties were as follows:

<i>Trade receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	29,298	93,489
K.C.E. International Co., Ltd.	-	-	5,825	41,546
KCE (Thailand) Co., Ltd.	-	-	8,342	3,508
Thai Laminate Manufacturer Co., Ltd.	-	-	1,358	688
Associates				
KCE America, Inc.	337,548	297,822	205,073	163,011
KCE Singapore Pte., Ltd.	40,177	33,350	8,257	12,405
KCE Taiwan Co., Ltd.	69	-	-	-
Total	<u>377,794</u>	<u>331,172</u>	<u>258,153</u>	<u>314,647</u>

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<i>Other receivables</i> <i>- related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	2,980	3,623
Chemtronic Technology (Thailand) Co., Ltd.	-	-	2,911	-
K.C.E. International Co., Ltd.	-	-	1,506	811
KCE (Thailand) Co., Ltd.	-	-	5	5
Thai Laminate Manufacturer Co., Ltd.	-	-	-	176
Thai Business Solution Co., Ltd.	-	-	-	46
Associate				
KCE Singapore Pte., Ltd.	1,342	-	1,342	-
Other related party				
Thai Business Solution Co., Ltd.	10	-	10	-
Total	1,352	-	8,754	4,661

<i>Trade payables</i> <i>- related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
Thai Laminate Manufacturer Co., Ltd.	-	-	266,133	349,433
K.C.E. International Co., Ltd.	-	-	39,448	39,856
KCE Technology Co., Ltd.	-	-	27,109	14,864
Chemtronic Chemical (Thailand) Co., Ltd.	-	-	6,737	-
Associates				
KCE Taiwan Co., Ltd	31,248	-	17,259	-
KCE Singapore Pte., Ltd.	19,524	15,112	16,086	12,460
Total	50,772	15,112	372,772	416,613

<i>Other payables for purchase of machineries and equipment</i> <i>- related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	8,470	-
Thai Business Solution Co., Ltd.	-	-	-	430
Associate				
KCE Taiwan Co., Ltd.	396	-	-	-
Other related party				
Thai Business Solution Co., Ltd.	891	-	700	-
Total	1,287	-	9,170	430

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

<i>Other payables</i> <i>- related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
K.C.E. International Co., Ltd.	-	-	-	3,627
KCE Technology Co., Ltd.	-	-	-	1,017
Thai Business Solution Co., Ltd.	-	-	-	25
Thai Laminate Manufacturer Co., Ltd.	-	-	-	20
Associate				
KCE Singapore Pte., Ltd.	18,364	11,105	1,730	2,655
Other related party				
Thai Business Solution Co., Ltd.	3,113	-	930	-
Total	21,477	11,105	2,660	7,344

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 32 to the financial statements.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cash on hand	269	207	50	50
Cash at banks – current accounts	219,498	442,153	64,099	119,739
Cash at banks – savings accounts	102,088	60,175	30,826	22,703
Highly liquid short-term investments	75,000	33,000	-	-
Others	323	-	-	-
Total	397,178	535,535	94,975	142,492

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	391,184	521,607	89,481	129,014
United States Dollars (USD)	3,007	10,928	2,678	10,652
Euro (EUR)	2,282	2,304	2,111	2,130
Great British Pound (GBP)	705	696	705	696
Total	397,178	535,535	94,975	142,492

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

8 Trade and other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Trade receivable					
Related parties	6	377,794	331,172	258,153	314,647
Other parties		1,581,479	1,150,850	756,598	703,635
Total		1,959,273	1,482,022	1,014,751	1,018,282
Less allowance for doubtful accounts		(353)	(353)	(322)	(322)
Net		1,958,920	1,481,669	1,014,429	1,017,960
Other receivables					
Related parties	6	1,352	-	8,754	4,661
Other parties		254,555	64,751	9,227	10,772
Total		255,907	64,751	17,981	15,433
Total trade and other receivables		2,214,827	1,546,420	1,032,410	1,033,393
Bad and doubtful debts expense for the year ended 31 December		-	188	-	186

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	309,850	275,413	204,305	210,832
Overdue:				
Less than 3 months	67,766	54,915	53,528	75,310
3 - 6 months	129	677	123	28,342
6 - 12 months	33	167	39	163
Over 12 months	16	-	158	-
	377,794	331,172	258,153	314,647
Less allowance for doubtful accounts	-	-	-	-
	377,794	331,172	258,153	314,647

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	1,241,118	848,883	591,016	539,931
Overdue:				
Less than 3 months	333,728	281,651	165,582	145,861
3 - 6 months	4,652	18,789	-	16,412
6 - 12 months	1,632	1,456	-	1,360
Over 12 months	349	71	-	71
	1,581,479	1,150,850	756,598	703,635
<i>Less allowance for doubtful accounts</i>	<i>(353)</i>	<i>(353)</i>	<i>(322)</i>	<i>(322)</i>
	1,581,126	1,150,497	756,276	703,313
Net	1,958,920	1,481,669	1,014,429	1,017,960

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

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	66,863	26,679	52,501	141,984
United States Dollars (USD)	1,525,496	977,800	629,395	538,142
Euro (EUR)	354,552	476,381	320,525	337,214
Great British Pound (GBP)	12,009	809	12,008	620
Total	1,958,920	1,481,669	1,014,429	1,017,960

9 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Finished goods	263,314	167,526	66,852	70,852
Work in progress	181,956	222,750	89,266	154,239
Raw materials	308,604	321,291	82,296	109,943
Factory supplies	317,255	251,296	130,564	133,108
Spare parts	121,890	119,447	56,240	49,832
Goods in transit	94,534	30,550	35,455	5,416
	1,287,553	1,112,860	460,673	523,390
<i>Less allowance for decline in value</i>	<i>(47,349)</i>	<i>(33,118)</i>	<i>(16,678)</i>	<i>(19,554)</i>
Total	1,240,204	1,079,742	443,995	503,836
Inventories recognised as an expense in ‘cost of sales of goods’:				
- Cost	5,175,418	5,934,241	2,871,336	2,763,347
- Write-down to net realisable value (reversal)	14,231	(11,087)	(2,876)	1,947
Net total	5,189,649	5,923,154	2,868,460	2,765,294

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

10 Investments in associates

	Consolidated financial statements Equity Method		Separate financial statements Cost Method	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	82,133	76,816	2,422	2,422
Share of loss from investments in associates using equity method	(2,621)	(359)	-	-
Foreign currency translation differences for foreign operations	(3,378)	5,676	-	-
Acquisitions	1,540	-	1,540	-
At 31 December	77,674	82,133	3,962	2,422

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

Investments in associates as at 31 December were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity	
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)						<i>(in thousand Baht)</i>	
Associates										
KCE America, Inc.	(1)	United States	50.00	50.00	USD 50,000	USD 50,000	644	644	55,198	55,421
KCE Singapore Pte., Ltd.	(1)	Singapore	49.00	49.00	SGD 500,000	SGD 500,000	4,201	4,201	20,890	26,712
KCE Taiwan Co., Ltd.	(2)	Taiwan	49.00	-	NTD 3,000,000	-	1,540	-	1,586	-
Total							6,385	4,845	77,674	82,133

(1) Foreign sale representative of the Group

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

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

(3)

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		Equity – net	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)						<i>(in thousand Baht)</i>			
Associates										
KCE America, Inc.	25.0	25.00	USD 50,000	USD 50,000	322	322	-	-	322	322
KCE Singapore Pte., Ltd.	24.5	24.50	SGD 500,000	SGD 500,000	2,100	2,100	-	-	2,100	2,100
KCE Taiwan Co., Ltd.	49.0	-	NTD 3,000,000	-	1,540	-	-	-	1,540	-
Total					3,962	2,422	-	-	3,962	2,422

The following summarised financial information on interests in associates is not adjusted for the percentage ownership held by the Group:

	Reporting date	Ownership interest		Total assets		Total Liabilities		Total revenues		Net profit/(loss)	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		(%)				<i>(in million Baht)</i>					
KCE America, Inc	31 December	50.00	50.00	446	431	342	312	986	1,095	1	3
KCE Singapore Pte., Ltd.	31 December	49.00	49.00	110	109	68	62	148	170	(4)	(2)
KCE Taiwan Co., Ltd.	31 December	49.00	-	45	-	42	-	49	-	(2)	-
Total				601	540	452	374	1,183	1,265	(5)	1

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

11 Investments in subsidiaries

	<i>Notes</i>	Separate financial statements	
		2012	2011
At 1 January		2,157,485	1,957,485
Acquisitions	5	233,810	-
Additions		-	200,000
Disposals		(1,470)	-
Warrant granted to subsidiaries' directors and employees		6,296	-
At 31 December		<u>2,396,121</u>	<u>2,157,485</u>

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended, were as follows:

	Type of business	Ownership Interest		Paid-up capital		Cost		Warrant granted to subsidiaries' directors and employees		Total		Dividend income	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		(%)											
Separate financial statements													
<i>(in thousand Baht)</i>													
Direct subsidiaries													
KCE Technology Co., Ltd.	(1)	100.00	100.00	1,600,000	1,600,000	1,600,000	1,600,000	3,583	-	1,603,583	1,600,000	-	-
K.C.E. International Co., Ltd.	(1)	99.99	99.99	100,000	100,000	185,395	185,395	1,833	-	187,228	185,395	29,998	-
Chemtronic Technology (Thailand) Co., Ltd.	(2)	97.25	-	48,000	48,000	233,810	-	-	-	233,810	-	-	-
Thai Laminate Manufacturer Co., Ltd.	(3)	74.80	74.80	250,000	250,000	368,460	368,460	756	-	369,216	368,460	37,400	-
KCE (Thailand) Co., Ltd.	(4)	60.00	60.00	3,600	3,600	2,160	2,160	124	-	2,284	2,160	-	-
Thai Business Solution Co., Ltd.	(5)	-	49.00	3,000	3,000	-	1,470	-	-	-	1,470	4,410	-
Total						2,389,825	2,157,485	6,296	-	2,396,121	2,157,485	71,808	-
Indirect subsidiaries													
Chemtronic Chemical Co., Ltd.	(2)	96.03	-	4,800	4,800	-	-	-	-	-	-	-	-

- (1) The manufacture and distribution of printed circuit board products
- (2) The manufacture and distribution of chemicals products
- (3) The manufacture and distribution of prepreg and laminate products
- (4) The domestic sale representative
- (5) A service provider for computer system implementation and support

All subsidiaries were incorporated in Thailand.

KCE Electronics Public Company Limited and its subsidiaries

Notes to the financial statements

On 16 June 2011, the Extraordinary General Meeting of the shareholders of KCE Technology Co., Ltd. approved the increase of the subsidiary's registered share capital from Baht 1,400 million (140,000,000 ordinary shares of Baht 10 each) to Baht 1,600 million (160,000,000 ordinary shares of Baht 10 each) through an issuance of 20,000,000 new ordinary shares at a par value of Baht 10 each, totaling Baht 200 million. The Company acquired and fully paid all the newly issued ordinary shares during the year. The subsidiary registered the share capital increase with the Ministry of Commerce on 29 June 2011.

At the board of directors' meeting of the Company held on 22 May 2012, the board of directors approved to sell investment of 90,000 ordinary shares or 30% of the issue and paid-up share capital in Thai Business Solution Co., Ltd. to a shareholder of Thai Business Solution Co., Ltd. at a price of Baht 10 per share, totaling Baht 0.9 million. The investment was sold in November 2012. Therefore, the Company held the rest of investment of 19% of the issue and paid-up share capital and has no ability to control or exercise significant influence in making financial and operating decisions. As such, the Company recorded the rest of investment as other long-term investment in the statement of financial position as at 31 December 2012.

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

12 Property, plant and equipment

	Consolidated financial statements									
	Land	Buildings and plant	Machinery and plant equipment	Plant improvement	Furniture, Fixtures and office equipment <i>(in thousand Baht)</i>	Buildings improvement	Vehicles	Machinery and equipment installation	Machinery and equipment in transit	Total
Cost										
At 1 January 2011	337,187	922,817	8,000,211	253,450	407,334	20,466	74,788	157,989	1,607	10,175,849
Additions	-	585	59,581	10,002	17,602	393	19,088	295,270	198,423	600,944
Transfers	-	52,063	100,164	7,081	(16)	-	635	(158,762)	(8,547)	(7,382)
Disposals	-	(407,350)	(1,505,119)	(63,947)	(4,154)	(156)	(6,055)	(5,588)	-	(1,992,369)
At 31 December 2011 and 1 January 2012	337,187	568,115	6,654,837	206,586	420,766	20,703	88,456	288,909	191,483	8,777,042
Additions	388	2,334	83,881	7,174	14,491	288	13,899	1,282,783	40,056	1,445,294
Acquired in business combinations	14,600	15,200	55,760	-	1,319	-	4,934	-	-	91,813
Transfers	-	227,688	405,676	19,219	1,164	25	175	(451,488)	(202,456)	3
Disposals	-	(5,689)	(99,379)	(144)	(7,758)	-	(22,450)	(21,470)	-	(156,890)
At 31 December 2012	352,175	807,648	7,100,775	232,835	429,982	21,016	85,014	1,098,734	29,083	10,157,262

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements									
	Land	Buildings and plant	Machinery and plant equipment	Plant improvement	Furniture, Fixtures and office equipment <i>(in thousand Baht)</i>	Buildings improvement	Vehicles	Machinery and equipment installation	Machinery and equipment in transit	Total
<i>Accumulated depreciation and allowance for losses on decline in values</i>										
At 1 January 2011	-	369,359	3,919,605	128,718	402,637	12,020	35,340	-	-	4,867,679
Depreciation charge for the year	-	69,773	429,139	27,777	8,911	872	11,686	-	-	548,158
Reversal of impairment losses	-	-	(8,128)	-	-	-	-	-	-	(8,128)
Transfers	-	-	-	-	-	-	-	-	-	-
Disposals	-	(244,178)	(603,227)	(11,131)	(3,630)	(156)	(3,480)	-	-	(865,802)
At 31 December 2011 and 1 January 2012	-	194,954	3,737,389	145,364	407,918	12,736	43,546	-	-	4,541,907
Depreciation charge for the year	-	40,215	384,632	24,602	11,165	846	15,941	-	-	477,401
Losses on decline in values	-	-	-	-	-	-	-	-	-	-
Disposals	-	(5,643)	(67,896)	(1)	(6,488)	-	(19,056)	-	-	(99,084)
At 31 December 2012	-	229,526	4,054,125	169,965	412,595	13,582	40,431	-	-	4,920,224
<i>Net book value</i>										
At 1 January 2011	337,187	553,458	4,080,606	124,732	4,697	8,446	39,448	157,989	1,607	5,308,170
At 31 December 2011 and 1 January 2012	337,187	373,161	2,917,448	61,222	12,848	7,967	44,910	288,909	191,483	4,235,135
At 31 December 2012	352,175	578,122	3,046,650	62,870	17,387	7,434	44,583	1,098,734	29,083	5,237,038

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements									
	Land	Buildings and plant	Machinery and plant equipment	Plant improvement	Furniture, Fixtures and office equipment <i>(in thousand Baht)</i>	Buildings improvement	Vehicles	Machinery and equipment installation	Machinery and equipment in transit	Total
<i>Cost</i>										
At 1 January 2011	164,000	132,229	2,108,357	166,936	32,265	18,011	24,975	34,137	-	2,680,910
Additions	-	35	30,346	9,195	13,657	303	14,258	24,295	-	92,089
Transfers	-	-	14,171	-	(111)	-	-	(14,060)	-	-
Disposals	-	-	(26,353)	(66)	(1,661)	-	(4,398)	-	-	(32,478)
At 31 December 2011 and 1 January 2012	164,000	132,264	2,126,521	176,065	44,150	18,314	34,835	44,372	-	2,740,521
Additions	388	-	47,766	5,787	8,486	60	802	26,843	-	90,132
Transfers	-	-	22,356	-	3	-	-	(22,356)	-	3
Disposals	-	-	(17,763)	(144)	(343)	-	(7,193)	(7,878)	-	(33,321)
At 31 December 2012	164,388	132,264	2,178,880	181,708	52,296	18,374	28,444	40,981	-	2,797,335
<i>Depreciation and impairment losses</i>										
<i>in values</i>										
At 1 January 2011	-	71,575	1,193,003	106,805	25,094	8,753	13,794	-	-	1,419,024
Depreciation charge for the year	-	4,658	124,362	23,762	3,248	773	3,584	-	-	160,387
Transfers	-	-	-	-	-	-	-	-	-	-
Disposals /Amortization	-	-	(25,156)	(66)	(1,137)	-	(1,983)	-	-	(28,342)
At 31 December 2011 and 1 January 2012	-	76,233	1,292,209	130,501	27,205	9,526	15,395	-	-	1,551,069
Depreciation charge for the year	-	3,680	117,892	20,934	5,222	738	5,197	-	-	153,663
Impairment losses	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(16,650)	(1)	(329)	-	(7,193)	-	-	(24,173)
At 31 December 2012	-	79,913	1,393,451	151,434	32,098	10,264	13,399	-	-	1,680,559
<i>Net book value</i>										
At 1 January 2011	<u>164,000</u>	<u>60,654</u>	<u>915,354</u>	<u>60,131</u>	<u>7,171</u>	<u>9,258</u>	<u>11,181</u>	<u>34,137</u>	<u>-</u>	<u>1,261,886</u>
At 31 December 2011 and 1 January 2012	<u>164,000</u>	<u>56,031</u>	<u>834,312</u>	<u>45,564</u>	<u>16,945</u>	<u>8,788</u>	<u>19,440</u>	<u>44,372</u>	<u>-</u>	<u>1,189,452</u>
At 31 December 2012	<u>164,388</u>	<u>52,351</u>	<u>785,429</u>	<u>30,274</u>	<u>20,198</u>	<u>8,110</u>	<u>15,045</u>	<u>40,981</u>	<u>-</u>	<u>1,116,776</u>

KCE Electronics Public Company Limited and its subsidiaries

Notes to the financial statements

The gross amount of the Group's and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to baht 1,994 million (2011: Baht 1,718 million) for the consolidated financial statements and Baht 932 million (2011: Baht 786 million) for the separate financial statements.

- 12.1 The Company and its two subsidiaries, K.C.E. International Co., Ltd. and Thai Laminate Manufacturer Co., Ltd., entered into negative pledge memorandums which are part of bank overdrafts and loans agreements. Under these memorandums, the Company and its subsidiaries are not allowed to dispose of, transfer, mortgage or provide any lien on their assets, as stipulated in such memorandums.
- 12.2 The subsidiaries of the Company have mortgaged and pledged the following property, plant and equipment.
- 12.2.1 Thai Laminate Manufacturer Co., Ltd. has mortgaged its construction and pledged its machinery with total net book value as at 31 December 2012 of Baht 171 million (2011: Baht 202 million), as collateral for loans from banks, as described in Note 15.
- 12.2.2 KCE Technology Co., Ltd. has mortgaged its land and construction thereon and pledged its machinery with a total net book value as at 31 December 2012 of Baht 1,084 million (2011: Baht 1,164 million), as collateral for bank overdrafts and loans from banks, as described in Note 15.
- 12.3 The Company and its subsidiaries have capitalised interest expenses as part of costs of machinery and equipment under installation for the years ended 31 December 2012 and 2011 as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest expenses capitalised as cost of machinery and equipment (Thousand Baht)	12,559	262	-	-
Capitalisation rate (% per annum)	1.70-3.34	2.14-2.26	-	-

13 Goodwill

	Note	Consolidated financial statements	
		2012	2011
<i>(in thousand Baht)</i>			
Cost			
At 1 January		-	-
Acquired through business combinations	5	79,793	-
At 31 December		79,793	-
Impairment losses			
At 1 January		-	-
Impairment loss		-	-
At 31 December		-	-
Net book value			
At 1 January		-	-
At 31 December		79,793	-

KCE Electronics Public Company Limited and its subsidiaries
Notes to the financial statements

14 Intangible assets

	Software licences	
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Cost		
At 1 January 2011	126,333	72,438
Additions	15,300	12,037
At 31 December 2011 and 1 January 2012	141,633	84,475
Additions	84,810	14,810
Transfers in/(out)	(3)	(3)
Disposals	(641)	-
At 31 December 2012	225,799	99,282
Amortisation and impairment losses		
At 1 January 2011	50,974	18,782
Amortisation for the year	4,214	4,003
At 31 December 2011 and 1 January 2012	55,188	22,785
Amortisation for the year	10,266	5,808
Disposals	(337)	-
At 31 December 2012	65,117	28,593
Net book value		
At 1 January 2011	75,359	53,656
At 31 December 2011 and 1 January 2012	86,445	61,690
At 31 December 2012	160,682	70,689

15 Interest-bearing liabilities

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts - secured	2,484	-	2,484	-
Short-term loans from financial institutions - secured	664,450	918,950	80,000	240,000
Packing credits - secured	1,216,887	2,042,462	570,887	920,149
Trust receipts - secured	927,985	589,655	56,151	53,728
Total bank overdrafts and short-term loans from financial institutions	2,811,806	3,551,067	709,522	1,213,877
Current portion of long-term loans - secured	1,373,025	352,564	301,677	124,727
Current portion of liabilities under hire-purchase and finance lease liabilities	19,700	51,511	14,858	43,348
Total current interest-bearing liabilities	4,204,531	3,955,142	1,026,057	1,381,952

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
<i>Note</i>	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Non-current				
Long-term loans - secured	1,317,003	1,260,174	613,578	229,162
Liabilities under hire-purchase and Finance lease agreements	9,601	23,637	5,221	19,340
Total non-current interest-bearing liabilities	<u>1,326,604</u>	<u>1,283,811</u>	<u>618,799</u>	<u>248,502</u>
Total	<u>5,531,135</u>	<u>5,238,953</u>	<u>1,644,856</u>	<u>1,630,454</u>

The periods to maturity of interest-bearing liabilities, excluding liabilities under hire-purchase and finance lease liabilities, as at 31 December were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Within one year	4,184,831	3,903,631	1,011,199	1,338,604
After one year but within five years	1,317,003	1,260,174	613,578	229,162
After five years	-	-	-	-
Total	<u>5,501,834</u>	<u>5,163,805</u>	<u>1,624,777</u>	<u>1,567,766</u>

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Property, plant and equipment	1,254,994	1,245,981	-	-
Total	<u>1,254,994</u>	<u>1,245,981</u>	<u>-</u>	<u>-</u>

15.1 Bank overdrafts and partial loans from financial institutions of the Company are guaranteed by K.C.E. International Co., Ltd., a subsidiary company.

15.2 Bank overdrafts and loans from financial institutions of K.C.E. International Co., Ltd., a subsidiary company, are guaranteed by the Company.

15.3 Bank overdrafts and loans from financial institutions of KCE Technology Co., Ltd., a subsidiary company, are guaranteed by the Company and are secured by the mortgage of land and construction thereon and the pledge of most of machinery of such subsidiary company.

15.4 Long-term loans from financial institutions of K.C.E. International Co., Ltd., a subsidiary company, are guaranteed by the Company. Under the loan agreement, the subsidiary company has to comply with certain conditions, including maintaining interest bearing debt to equity ratio of not more than 2:1 and debt service coverage ratio (DSCR) of not less than 1.2:1.

15.5 Long-term loans from financial institutions of Thai Laminate Manufacturer Co., Ltd., a subsidiary, are secured by mortgage and pledge of subsidiary's construction and machinery.

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

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Details of long-term loans from banks as at 31 December 2012 are as follows:

No.	Contract date	Credit facility	Outstanding long-term loan amount			Significant terms and conditions of loan agreements			
			Current portion	Non-current portion	Total	Loan period	Interest rate	Principal repayment	Interest repayment
			<i>(in thousand Baht)</i>			<i>(Percent per annum)</i>			
<u>The Company only</u>									
1.	2 April 2008	Thousand Baht 250,000	5,734	-	5,734	3 years 10 months	MLR - fixed percentage	1 month	1 month
2.	4 October 2012	Thousand Baht 200,000	50,000	150,000	200,000	4 years	fixed percentage	3 month	3 month
3.	25 March 2011	Thousand US dollar 1,800	13,111	20,515	33,626	4 years 3 months	SIBOR 3M + fixed percentage	1 month	1 month
4.	25 March 2011	Thousand US dollar 2,850	17,543	10,674	28,217	5 years 6 months	SIBOR 3M + fixed percentage	1 month	1 month
5.	19 July 2011	Thousand US dollar 7,000	91,563	65,764	157,327	3 years 6 months	SIBOR 3M + fixed percentage	1 month	1 month
6.	26 November 2012	Thousand US dollar 16,500	123,726	366,625	490,351	3 years 6 months	SIBOR 3M + fixed percentage	1 month	1 month
Total loans of the Company			301,677	613,578	915,255				
<u>Subsidiaries</u>									
<u>Thai Laminate Manufacturer Co., Ltd.</u>									
1.	12 May 2011	Thousand US dollar 4,000	123,110	-	123,110	3 years	SIBOR 3M + fixed percentage	3 months	1 month
			123,110	-	123,110				
<u>K.C.E International Co., Ltd.</u>									
1.	13 June 2011	Thousand US dollar 3,000	15,389	45,592	60,981	6 years	SIBOR 3M + fixed percentage	3 months	1 month
2.	24 June 2011	Thousand US dollar 2,255	20,273	-	20,273	2 years	SIBOR 1M + fixed percentage	1 month	1 month
			35,662	45,592	81,254				

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No.	Contract date	Credit facility	Outstanding long-term loan amount			Significant terms and conditions of loan agreements				
			Current portion	Non-current portion	Total	Loan period	Interest rate	Principal repayment	Interest repayment	
			<i>(in thousand Baht)</i>			<i>(Percent per annum)</i>				
<u>KCE Technology Co., Ltd.</u>										
1.	17 October 2012	Thousand Baht 300,000	250,000	-	250,000	1 years 3 months	fixed percentage	within 12 months	1 month	
2.	12 May 2011 amendment on 22 December 2011	Thousand US dollar 25,605	262,471	409,071	671,542	4 years 11 months	SIBOR + fixed percentage	1 month	1 month	
3.	19 May 2011	Thousand US dollar 2,700	15,758	12,865	28,623	6 years	SIBOR + fixed percentage	3 months	1 month	
4.	31 January 2012	Thousand US dollar 10,000	61,555	235,897	297,452	4 years	SIBOR + fixed percentage	3 months	1 month	
5.	17 October 2012	Thousand US dollar 10,475	322,383	-	322,383	1 years 3 months	fixed percentage	3 months	1 month	
			912,167	657,833	1,570,000					
<u>Chemtronic Technology (Thailand) Co., Ltd.</u>										
1.	22 November 2010	Thousand Baht 2,509	409	-	409	2 years 4 months	MLR - fixed percentage	1 month	1 month	
			409	-	409					
Total loans of subsidiaries			1,071,348	703,425	1,774,773					
Total loans of the Company and subsidiaries			1,373,025	1,317,003	2,690,028					

As at 31 December 2012 the Group and the Company had unutilised credit facilities totalling Baht 7,427 million and US dollar 22 million (Baht 1,510 million for separate financial statements).

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Liabilities under hire-purchase and finance lease liabilities

Liabilities under hire-purchase and finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2012			2011		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	20,497	(797)	19,700	53,957	(2,446)	51,511
After one year but within five years	10,105	(504)	9,601	24,621	(984)	23,637
Total	30,602	(1,301)	29,301	78,578	(3,430)	75,148

	Separate financial statements					
	2012			2011		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	15,375	(517)	14,858	45,259	(1,911)	43,348
After one year but within five years	5,459	(238)	5,221	20,058	(718)	19,340
Total	20,834	(755)	20,079	65,317	(2,629)	62,688

The Group entered into a number of hire-purchase and finance lease agreements with leasing companies for rental of machinery and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years. At the end of each agreement, the Company and its subsidiaries have an option to purchase such machinery and equipment at terms and prices which are specified in the lease agreements.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	2,644,923	2,306,248	725,297	1,040,422
United States Dollars (USD)	2,877,888	2,929,233	919,559	590,032
Euro (EUR)	6,574	3,472	-	-
Yen	1,750	-	-	-
Total	5,531,135	5,238,953	1,644,856	1,630,454

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16 Trade payables and others

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Trade payables					
Related parties	6	50,772	15,112	372,772	416,613
Other parties		1,040,543	835,410	281,907	335,957
Other payables for purchase of machineries and equipment					
Related parties	6	1,287	-	9,170	430
Other parties		202,536	359,346	30,487	20,075
Other payables					
Related parties	6	21,477	11,105	2,660	7,344
Other parties		41,389	69,585	12,927	24,440
Accrued expenses		208,471	176,119	71,422	69,559
Total trade and other payables		<u>1,566,475</u>	<u>1,466,677</u>	<u>781,345</u>	<u>874,418</u>

17 Employee benefit obligations

The Group adopted TAS 19 – Employee Benefits with effect from 1 January 2011. The Group opted to record the transitional obligation as at 1 January 2011, totaling Baht 63.5 million for the Group and Baht 36.7 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	62,142	63,459	31,496	36,661
Increase from acquisition of subsidiary	3,216	-	-	-
Decrease from disposal of subsidiary	(1,677)	-	-	-
Benefits paid by the plan	(3,624)	(9,280)	-	(8,677)
Current service costs and interest	7,244	7,963	3,487	3,512
Defined benefit obligations at 31 December	<u>67,301</u>	<u>62,142</u>	<u>34,983</u>	<u>31,496</u>

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Current service costs	5,053	5,781	2,212	2,245
Interest on obligation	2,191	2,182	1,275	1,267
Total	<u>7,244</u>	<u>7,963</u>	<u>3,487</u>	<u>3,512</u>

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The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cost of sales	3,250	3,159	1,752	1,632
Administrative expenses	3,994	4,804	1,735	1,880
Total	<u>7,244</u>	<u>7,963</u>	<u>3,487</u>	<u>3,512</u>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(%)</i>			
Discount rate	3.8	3.8	3.8	3.8
Future salary increases	4.0-8.0	4.0-8.0	4.0-8.0	4.0-8.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

18 Share capital

	Par value per share <i>(in Baht)</i>	2012		2011	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	500,000	500,000	500,000	500,000
Reduction of shares	1	<u>(8,170)</u>	<u>(8,170)</u>	<u>-</u>	<u>-</u>
At 31 December					
- ordinary shares	1	<u>491,830</u>	<u>491,830</u>	<u>500,000</u>	<u>500,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	472,224	472,224	471,067	471,067
Reduction of shares	1	<u>(8,170)</u>	<u>(8,170)</u>	<u>-</u>	<u>-</u>
Issue of new shares	1	<u>8,547</u>	<u>8,547</u>	<u>1,157</u>	<u>1,157</u>
At 31 December					
- ordinary shares	1	<u>472,601</u>	<u>472,601</u>	<u>472,224</u>	<u>472,224</u>

Share warrants

During 2007, the Company issued and allotted 3,000,000 registered and nontransferable (except for transferring as stipulated in the prospectus) warrants free of charge to the employees of the Company and/or its subsidiaries. These warrants are exercisable at a price of Baht 3.93 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 15 to 18 of March, June, September and December, for a period of 5 years from the issue date, starting from 15 to 18 September 2008 and with a final exercise date of 18 June 2012. The aforesaid exercise price and/or exercise ratio may be adjusted if certain events stipulated in the prospectus occur. As at 31 December 2012, there was no outstanding balance of these warrants.

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Subsequently on 29 April 2010, the Annual General Meeting of the Company's shareholders passed a resolution approving the issuance and offering 10,000,000 registered and nontransferable (except for transferring as stipulated in the prospectus for ESOP-W3) warrants free of charge to the directors and employees of the Company and/or its subsidiaries, and allocation of shares to reserve for the exercise of the warrants. These warrants are exercisable at a price of Baht 6.86 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 15 to 18 of March, June, September and December, for a period of 3 years from the issue date, starting from 15 to 18 June 2010 and with a final exercise date of 18 June 2013.

Subsequently on 28 April 2011, the Annual General Meeting of the Company's shareholders passed a resolution approving to establish the issuance and offering of 10,000,000 registered and nontransferable (except for transferring as stipulated in the prospectus for ESOP-W4) warrants free of charge to the directors and employees of the Company and/or its subsidiaries, and allocation of shares to reserve for the exercise of the warrants. These warrants are exercisable at a price of Baht 7.81 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 1 to 10 of March, June, September and December, for a period of 5 years from the issue date. The Company granted the said warrants to the directors and employees of the Company and/or its subsidiaries on 12 March 2012, which is the date of notification of conditions and arrangements in exercising the warrants to the directors and employees. The first exercise period is 1 to 10 June 2012 and the final exercise date is 10 March 2017.

As the Thai Financial Reporting Standards 2 (TFRS2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS2, ESOP-W4 has to be measured by using the fair value of the warrants on the grant date.

Measurement of fair value

The fair value of the warrants granted "ESOP-W4" was measured based on Binomial option pricing model. Expected volatility is estimated by considering historic average share price volatility during the period 13 March 2007 to 12 March 2012.

The inputs used in the measurement of the fair values at grant date of warrants "ESOP-W4" were as follows:

Fair value at grant date	Baht	1.238
Share price at grant date	Baht	5.15
Exercise price	Baht	7.81
Expected volatility (%)		45.62
Expected dividends (%)		2.67
Risk-free interest rate (%)		3.42
Termination rate (%)		0.26

The expense recognised from share-based payment transaction for the year ended 31 December 2012 was Baht 12.4 million for the consolidated financial statements and Baht 6.1 million for the separate financial statements.

Movements of share warrants during the year ended 31 December 2012 and 2011 are summarised below:

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	2012		2011	
	Units	Amount	Units	Amount
	<i>(thousand units / thousand Baht)</i>			
Warrants issued at 1 January	2,800	-	4,430	-
Add: Warrants issued during the year	10,000	12,380	-	-
Less: Exercised during the year	(8,547)	(8,371)	(1,157)	-
Cancelled during the year	-	-	(473)	-
Warrants issued at 31 December	<u>4,253</u>	<u>4,009</u>	<u>2,800</u>	<u>-</u>

In September 2012, the Company received share subscription from ESOP-W3 for 920,000 additional ordinary shares of Baht 6.86 each share and from ESOP-W4 for 4,320,000 additional ordinary shares of Baht 7.81 each share supporting the exercise of the warrants, totaling of Baht 40,050,400. The Company registered the said increase of new shares with the Ministry of Commerce on 26 September 2012.

In December 2012, the Company received share subscription from ESOP-W3 for 865,000 additional ordinary shares of Baht 6.86 each share and from ESOP-W4 for 2,442,000 additional ordinary shares of Baht 7.81 each share supporting the exercise of the warrants, totaling of Baht 25,005,920. The Company registered the said increase of new shares with the Ministry of Commerce on 26 December 2012.

As at 31 December 2012, share warrants outstanding consists of share warrants of ESOP-W3 of 1,015,000 units and ESOP-W4 of 3,238,000 units.

19 Treasury shares

As at 31 December 2012 and 2011, details of treasury shares are as follows:

	Consolidated/ separate financial statements	
	2012	2011
Cost of treasury shares (Thousand Baht)	105,582	70,050
Number of treasury shares (Thousand shares)	14,000	8,170
Average price per share (Baht)	7.54	8.57
Percentage of treasury shares to the Company's shares in issue	2.96	1.73

On 20 July 2010, the meeting of the Board of Directors of the Company No. 7/2010 passed the resolutions approving the Company's share repurchase program for financial management, with value not exceeding Baht 90 million, and not exceeding the Company's retained earnings. The number of shares repurchased will be 10 million shares at the par value of Baht 1 each, or equal to 2.14% of the total paid-up share capital. The repurchase period will be from 9 August 2010 to 8 February 2011.

Any shares bought back are to be resold on the Stock Exchange of Thailand during the period from 9 August 2011 to 8 February 2012. Resale of shares, cancellations of the repurchased shares and reductions of share capital are to conform with the 2001 Ministerial Regulations on the principles and procedures for the repurchase and resale of shares. The determination of the resale price will be taken into account the prevailing market price at the time of sale.

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During the first quarter of 2012, the Company reduced its authorised and issued and paid-up share capital by way of writing off all 8,170,500 repurchased shares with a par value of Baht 1 each which remain unsold, as empowered by the resolution of the Company's Board of Directors' meeting No. 7/2010. This resulted in a decrease in its authorised and issued and paid-up share capital from authorised share capital of 500 million ordinary shares (Baht 1 each) and issued and paid-up share capital of 472,224,269 ordinary shares (Baht 1 each) to authorised share capital of 491,829,500 ordinary shares (Baht 1 each) and issued and paid-up share capital of 464,053,769 ordinary shares (Baht 1 each). The Company registered the reduction of its registered share capital with the Ministry of Commerce on 15 February 2012.

On 22 May 2012, the meeting of the Board of Directors of the Company No. 6/2012 passed the resolutions approving the Company's share repurchase program for financial management, with value not exceeding Baht 280 million, and not exceeding the Company's retained earnings. The number of shares repurchased will be 46.4 million shares at the par value of Baht 1 each, or equal to 10.00% of the total paid-up share capital. The repurchase period will be from 11 June 2012 to 10 December 2012. The period for the resale of shares bought back will be considered by the Board of Directors after 6 months from the completion date of share repurchase program and not later than 3 years from the time. Any shares bought back are to be resold on the Stock Exchange of Thailand. Resale of shares, cancellations of the repurchased shares and reductions of share capital are to conform with the 2001 Ministerial Regulations on the principles and procedures for the repurchase and resale of shares. The determination of the resale price will take into account the prevailing market price at the time of sale.

During the year ended 31 December 2012, the Company repurchased 14 million ordinary shares with total cost of Baht 105.58 million and set aside Baht 105.58 million of its retained earnings as reserve for treasury shares. As at 31 December 2012, total shares repurchased by the Company were 14 million ordinary shares with total cost of Baht 105.58 million and reserve for treasury shares amounted to Baht 105.58 million.

20 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury shares reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

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Notes to the financial statements

21 Segment information

The Company and its subsidiaries' operations mainly involve business segments in printed circuit board, prepreg and laminate 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 years ended 31 December 2012 and 2011 is as follows:

Consolidated financial statements																		
For the years ended 31 December 2012 and 2011																		
	Prepreg and Laminate business		Printed Circuit Board business								Service provider business		Chemical business		Eliminating entries		Total	
			America		Europe		Asia		Total									
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>(in thousand Baht)</i>																		
Revenues from external customers	59,669	108,271	948,708	1,115,587	3,778,628	4,274,778	1,577,515	1,668,070	6,304,851	7,058,435	57,286	34,359	56,084	-	-	-	6,477,890	7,201,065
Inter-segment revenues	1,380,668	1,600,535	-	-	-	-	891,883	1,162,442	891,883	1,162,442	-	7,860	12,925	-	(2,285,476)	(2,770,837)	-	-
Total revenues	1,440,337	1,708,806	948,708	1,115,587	3,778,628	4,274,778	2,469,398	2,830,512	7,196,734	8,220,877	57,286	42,219	69,009	-	(2,285,476)	(2,770,837)	6,477,890	7,201,065
Segment operating profit	196,601	158,380							1,007,025	1,073,329	11,982	10,166	34,702	-	(4,739)	2,188	1,245,571	1,244,063
Unallocated profit and expenses:																		
Compensation from insurance claim																	496,765	87,003
Other income																	230,989	106,103
Selling expenses																	(432,746)	(466,937)
Administrative expenses																	(642,370)	(685,126)
Finance cost																	(159,280)	(153,493)
Share of loss from investments in associates																	(2,622)	(359)
Corporate income tax																	(19,802)	(2,303)
Profit for the period																	716,505	128,951

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Financial information by business segment for the consolidated statements of financial position as at 31 December 2012 and 2011 are as follows:

	Prepreg and Laminate business		Printed Circuit Board business		Service provider business		Chemical business		Elimination of inter- segment revenues		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in thousand Baht)</i>											
Property, plant and equipment	347,099	405,024	4,802,994	3,829,399	-	1,578	90,417	-	(3,472)	(866)	5,237,038	4,235,135
Other assets	818,663	911,834	7,658,014	7,462,051	-	29,956	111,734	-	(3,569,882)	(3,360,852)	5,018,529	5,042,989
Total assets	<u>1,165,762</u>	<u>1,316,858</u>	<u>12,461,008</u>	<u>11,291,450</u>	<u>-</u>	<u>31,534</u>	<u>202,151</u>	<u>-</u>	<u>(3,573,354)</u>	<u>(3,361,718)</u>	<u>10,255,567</u>	<u>9,278,124</u>

Transfer prices between business segments are as set out in Note 6 to the financial statements..

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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Included in other income				
- Gain on exchange rate and from hedging activities - net	159,011	-	53,729	-
Included in administrative expenses				
- Loss on exchange rate and from hedging activities - net	-	(78,663)	-	22,017

23 Selling expenses

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Freight charge	202,126	216,280	125,620	125,382
Commission expense	155,043	141,322	57,021	56,560
Employee benefit expenses	8,871	8,444	3,420	3,367
Others	66,706	100,891	29,015	41,434
Total	<u>432,746</u>	<u>466,937</u>	<u>215,076</u>	<u>226,743</u>

24 Administrative expenses

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Employee benefit expenses	345,783	347,466	122,554	129,810
Loss from business interruption	117,391	100,707	-	-
Depreciation of property, plant and equipment	27,095	25,209	11,509	10,036
Insurance expense	43,168	17,682	7,248	2,722
Repair and maintenance expenses	23,431	16,447	8,287	6,342
Others	85,503	177,615	54,319	73,695
Total	<u>642,371</u>	<u>685,126</u>	<u>203,917</u>	<u>222,605</u>

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25 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		3,014,949	3,466,361	1,969,587	2,061,073
Employee benefit expenses		1,287,588	1,264,798	506,095	474,000
Utility expenses		488,070	462,949	173,768	150,911
Depreciation of property, plant and equipment	12	477,401	548,158	153,663	160,387
Freight charge	23	202,126	216,280	125,620	125,382
Repair and maintenance expenses		171,545	227,847	79,142	64,225
Commission expense	23	155,043	141,322	57,021	56,560

26 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Interest expenses to banks		171,838	153,755	51,619	44,775
Less: amounts included in the cost of qualifying assets:					
- Machinery and equipment	12	(12,559)	(262)	-	-
Net		159,279	153,493	51,619	44,775

27 Income tax expense

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

The current tax expense in the consolidated and separate statements of comprehensive income is less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because:

- a significant portion of the Group's profit was derived from promoted activities for which are not subject to tax.
- unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge.
- of the different treatment for accounting and taxation purposes of certain items of expense.

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28 Promotional privileges

The Group and its subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company and its subsidiaries are as follows:

Details	KCE Electronics Public Company Limited			K.C.E. International Co., Ltd.	Thai Laminate Manufacturer Co., Ltd.					KCE Technology Co., Ltd.			Chemtronic Technology (Thailand) Co., Ltd
	1292/2539	1062/2541	1065/2543		1278(2)/2548	1099/2544	1249(1)/2545	1664(2)/2547	1176(2)/2550	1160(2)/2551	1378/2543	1598(2)/2547	
1. Certificate No.													
2. Promotional privileges for	Manufacturing of Printed Circuit Board	Manufacturing of Prepreg	Manufacturing of Laminate	Manufacturing of Prepreg	Manufacturing of Propreg and Laminate	Manufacturing of Propreg and Laminate	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Copper Sulfate			
3. The significant privileges are													
3.1 Exemption from corporate income tax on net income from promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	3 years (Expired)	3 years (Expired)	3 years (Expired)	3 years (Expired)	3 years (Expired)	3 years (Expired)	3 years (Expired)	5 years (Expired)	5 years	7 years (Expired)	7 years (Expired)	8 years	8 years
3.2 Allowance for 5% of the increment in export income over the preceding year for ten years, providing that the export income of that particular year should not be lower than the average export income over the three preceding years except for the first two years.	Granted (Expired)	Granted (Expired)	Granted	Not granted	Granted (Expired)	Not granted	Not granted	Not granted	Not granted	Granted	Not granted	Not granted	Not granted
3.3 Exemption from import duty on machinery as approved by the board	Granted	Granted	Granted	Granted	Granted (Expired)	Granted (Expired)	Granted (Expired)	Granted	Granted	Granted	Granted	Granted	Granted
3.4 Exemption from import duty on raw materials and essential supplies used in export production for a period of one year from the first import date.	Granted (Expired)	Granted (Expired)	Not granted	Not granted	Not granted	Not granted	Not granted	Not granted	Not granted	Granted (Expired)	Granted (Expired)	Not granted	Not granted
4. Date of first earning operating income	6 January 1996	8 August 1998	4 June 2000	1 September 2006	3 November 2000	1 September 2003	7 July 2004	2 May 2007	22 December 2009	25 June 2001	1 November 2004	21 August 2012	19 April 2007

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As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Separate financial statements					
	2012			2011		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	3,269,416	3,269,416	-	3,347,039	3,347,039
Local sales	-	223,713	223,713	-	120,585	120,585
Total Revenue	-	3,493,129	3,493,129	-	3,467,624	3,467,624

29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	712,328	132,021	322,189	257,865
Number of ordinary shares outstanding at 1 January	472,224	471,067	472,224	471,067
<i>Less</i> Treasury shares/ Reduction of shares	(8,170)	(4,150)	(8,170)	(4,150)
Number of ordinary shares outstanding net of treasury shares/ reduction of shares	464,054	466,917	464,054	466,917
Effect from treasury shares repurchases during the year	(5,112)	(3,685)	(5,112)	(3,685)
Effect from ordinary shares issued during the year	1,497	813	1,497	813
Weighted average number of ordinary shares outstanding (basic)	460,439	464,045	460,439	464,045
Earnings per share (basic) (in Baht)	1.55	0.28	0.70	0.56

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Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary holders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all diluted potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	712,328	132,021	322,189	257,865
Weighted average number of ordinary shares outstanding (basic)	460,439	464,045	460,439	464,045
Effect of share warrants	64	62	64	62
Weighted average number of ordinary shares outstanding (diluted)	460,503	464,107	460,503	464,107
Earnings per share (diluted) (in Baht)	1.55	0.28	0.70	0.56

30 Dividends

On 28 April 2011, the Annual General Meeting of the Company's shareholders approved the payment of dividend in respect of the Company's operating results for the period from 1 July 2010 to 31 December 2010 at Baht 0.30 per share to the ordinary shareholders, totaling approximately Baht 139.1 million. The payment of dividend has been made on 27 May 2011.

On 16 August 2011, the meeting of the Board of Directors of the Company approved the payment of interim dividend in respect of the Company's operating results for the period from 1 January 2011 to 30 June 2011 at Baht 0.10 per share to the ordinary shareholders, totaling approximately Baht 46.4 million. The payment of interim dividend has been made on 16 September 2011.

On 27 April 2012, the Annual General Meeting of the Company's shareholders approved the payment of dividend in respect of the Company's operating results for the period from 1 July 2011 to 31 December 2011 at Baht 0.10 per share to the ordinary shareholders, totaling approximately Baht 46.4 million. The payment of dividend has been made on 10 May 2012.

On 7 August 2012, the meeting of the Board of Directors of the Company approved the payment of interim dividend in respect of the Company's operating results for the period from 1 January 2012 to 30 June 2012 at Baht 0.20 per share to the ordinary shareholders, totaling approximately Baht 90.8 million. The payment of interim dividend has been made on 7 September 2012.

31 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because financial assets and liabilities interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate.

The effective interest rates of financial assets as at 31 December and the periods in which those assets mature were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2012					
Current					
Cash and cash equivalents	0.10 - 2.50	397	-	-	397
Total		397	-	-	397
2011					
Current					
Cash and cash equivalents	0.10 - 3.15	536	-	-	536
Total		536	-	-	536
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2012					
Current					
Cash and cash equivalents	0.10 - 0.75	95	-	-	95
Total		95	-	-	95
2011					
Current					
Cash and cash equivalents	0.10 - 0.75	142	-	-	142
Total		142	-	-	142

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The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2012					
Bank overdrafts and short-term loans from financial institutions	1.20 – 7.90	2,812	-	-	2,812
Liabilities under hire-purchase and finance lease liabilities	1.88 – 7.92	20	9	-	29
Long-term loans	2.25 – 5.64	1,373	1,317	-	2,690
Total		4,205	1,326	-	5,531
2011					
Bank overdrafts and short-term loans from financial institutions	1.35 – 4.78	3,551	-	-	3,551
Liabilities under hire-purchase and finance lease liabilities	1.88 – 7.92	51	24	-	75
Long-term loans	2.13 – 6.00	353	1,260	-	1,613
Total		3,955	1,284	-	5,239
	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2012					
Bank overdrafts and short-term loans from financial institutions	1.20 – 7.65	710	-	-	710
Liabilities under hire-purchase and finance lease liabilities	3.77 – 5.12	15	5	-	20
Long-term loans	2.25 – 5.64	302	613	-	915
Total		1,027	618	-	1,645
2011					
Bank overdrafts and short-term loans from financial institutions	1.35 – 4.78	1,214	-	-	1,214
Liabilities under hire-purchase and finance lease liabilities	3.77 – 5.12	44	19	-	63
Long-term loans	2.13 – 5.50	125	229	-	354
Total		1,383	248	-	1,631

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December 2012, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December 2012	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying rate	Selling rate
	<i>(Thousand Unit)</i>				<i>(Baht per unit of foreign currency)</i>	
US dollar	50,839	138,032	20,801	45,062	30.3873	30.7775
Euro	8,891	1,990	8,038	836	40.1344	40.8603
Pound sterling	260	2	260	-	48.8331	49.7030
Japanese yen	-	199,936	-	2,019	0.3500	0.3580
SG dollar	-	73	-	53	24.6996	25.2835
Swiss franc dollar	-	13	-	6	33.1686	33.8519
HK dollar	-	5	-	5	3.9043	3.9813

Forward exchange contracts

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand)</i>			
<i>Other commitments</i>				
Forward exchange contracts				
Buy				
US dollar	2,970	1,219	-	-
Euro	296	84	-	-
Sell				
US dollar	5,383	11,865	1,383	4,432
Euro	3,200	3,609	3,200	2,800

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Currency call option agreements

	Currency	Bought amount (Thousand)	Strike rate (Baht per unit of foreign currency)	Delivery date
Call option	US dollar	10,000	31.70	7 January 2013

When exchange rate on delivery date is higher than call option strike rate, the Company will buy US dollar at strike rate. As at 31 December 2012, fair value of currency call option agreements was Baht 0.09 million.

Cross currency and interest rate swap

As at 31 December 2012, the Company had a cross currency and interest rate swap agreement with a local financial institution for the period from 29 April 2011 to 30 January 2013 by which the Company agreed to swap the currency and interest rate of Baht 64 million using exchange rate of Baht 30.10 per 1 USD and swap a floating interest rate of THB MLR minus 1.50% to 2.00% per annum to US fixed interest rate of 3.47% per annum.

As at 31 December 2012, Thai Laminate Manufacturer Co., Ltd, a subsidiary company, had an interest rate swap agreement with a local financial institution for the period from 7 July 2011 to 7 July 2014 by which the subsidiary company agreed to swap the interest rate of its USD 6 million facilities from a floating interest rate of US LIBOR (3 months) plus fixed percent per annum to US fixed interest rate of 3.06% per annum.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when the fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

32 Commitments

Commitments

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Capital commitments				
Unrecognised purchase orders for machinery and equipment	166,067	25,393	21,277	14,470
Total	166,067	25,393	21,277	14,470
Non-cancellable operating lease and long-term service commitments				
Within one year	39,508	31,596	17,405	17,313
After one year but within five years	2,007	2,608	336	1,520
Total	41,515	34,204	17,741	18,833

As at 31 December 2012 and 2011, the Group has forward exchange contracts, currency call option agreements and cross currency and interest rate swap as stated in Note 31.

Guarantees

As at 31 December 2012 and 2011, the Company and its subsidiaries had contingent liabilities in respect of cross guarantees of loans and other credit facilities as follows:

Guarantee company	Guarantor			
	KCE Electronics Plc. 2012	KCE Electronics Plc. 2011	K.C.E. International Co., Ltd. 2012	K.C.E. International Co., Ltd. 2011
	<i>(in thousand Baht)</i>			
KCE Electronics Plc.				
- Baht	-	-	115	288
K.C.E. International Co., Ltd.				
- Baht	119	107	-	-
- US dollar	3	4	-	-
KCE Technology Co., Ltd.				
- Baht	2,350	2,697	-	-
- US dollar	42	24	-	-

As at 31 December 2012, the Company and its subsidiaries had contingent liabilities in respect of bank guarantees issued on their behalf amounting to Baht 44 million (the Company only: Baht 31 million) in respect of certain performance bonds as required in the normal course of business, mainly for guarantee of electricity payment.

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33 Contingent liabilities

As at 31 December 2012, the Company had contingent liabilities in respect of specific business tax assessment from the Revenue Department's officer of Baht 4 million because the Company provided guarantee to a related party without fee. On 9 July 2009, the Central Tax Court announced a judgment which was in favour of the Company and overturned the assessment of officer and the Tax Appeal Board's judgment from the Revenue Department. Later on 7 September 2009, the Revenue Department lodged an appeal against the Central Tax Court's judgment and the Central Tax Court had issued a court receipt for such appeal. On 4 February 2013, the Supreme Court judged to confirm the Central Tax court's judgment. Therefore, the Company won the case and there are no longer any contingent liabilities.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 – Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2012 and 2011 will be adjusted accordingly. Management estimates that the impact on the statements of financial position as at 31 December 2012 and 2011 will be as follows:

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	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Statement of financial position				
Estimated changes as a result of the adoption retrospectively of TAS 12 – Income taxes:				
Increase in deferred tax assets	16,774	72,757	-	55,064
Increase in deferred tax liabilities	(11,175)	-	(9,287)	-
Increase (Decrease) in retained earnings	<u>5,599</u>	<u>72,757</u>	<u>(9,287)</u>	<u>55,064</u>
Increase (Decrease) in equity	6,336	72,724	(9,287)	55,064
Decrease (Increase) in non-controlling interests	(737)	33	-	-
Increase (Decrease) in total equity	<u>5,599</u>	<u>72,757</u>	<u>(9,287)</u>	<u>55,064</u>

The impact on the statements of comprehensive income for 2013 and subsequent periods is not presently determinable.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities, or retained earnings.

35 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2011 have been reclassified to conform to the presentation in the 2012 financial statements as follows:

	2011					
	Consolidated			Separate		
	financial statements			financial statements		
	Before	After	Before	Before	After	After
	Reclassi-	Reclassi-	Reclassi-	Reclassi-	Reclassi-	Reclassi-
	fication	fication	fication	fication	fication	fication
	<i>(in million Baht)</i>					
Statement of financial position						
Other non-current assets	83	(80)	3	82	(80)	2
Liabilities under hire-purchase and finance lease agreements	(104)	<u>80</u>	(24)	(99)	<u>80</u>	(19)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.