

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 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 17 February 2015.

1 General information

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

The Company’s major shareholders during the financial year were Ongkosit family (35% shareholding).

The principal activities of the Company are the manufacture and distribution of electric printed circuit board products. Details of the Company’s subsidiaries as at 31 December 2014 and 2013 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.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment

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TFRS	Topic
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets-Web Site Costs

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 36.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 5	Business Combination
Note 15	Utilization of tax losses
Note 18	Measurement of defined benefit obligations
Note 21	Measurement of share-based payments

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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.

KCE Technology Co., Ltd. (subsidiary) has recognised the following expenses and insurance reimbursements resulting from the flood damage.

<i>Years ended 31 December</i>	KCE Technology Co., Ltd.	
	2014	2013
	<i>(in thousand Baht)</i>	
Insurance reimbursement recognised	131,000	694,320
Impairment of machinery and equipment	-	(511,270)
Repair and other flood related expenses	-	(150,717)
Total flood related expenses	-	(661,987)
Net flood related gain recognised	131,000	32,333

During 2014, KCE Technology Co., Ltd. (subsidiary) recognised the last compensation from insurance claim amount of Baht 131 million (net from relevant legal expenses amount of Baht 23 million).

During 2014, K.C.E. International Co., Ltd. (subsidiary) recognised compensation from insurance claim amount of Baht 6 million which was included in other income.

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.

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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.

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 the functional currency of each company in the Group at the dates of the transactions.

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Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date.

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

Foreign exchange differences arising on translation are recognised in profit or loss in the period of transactions.

Foreign operations

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

The revenues and expenses of foreign operations 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 financial instruments

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in determining 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.

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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.

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.

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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.

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.

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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:

Buildings and plant	20 - 50	years
Machinery and plant equipment	5 - 20	years
Plant and building improvement	5 - 20	years
Furniture, fixtures and office equipment	3 - 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

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date less accumulated amortisation and impairment.

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.

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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
Customer relationship	10	years

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 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 payables are stated at cost.

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(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. 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.

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(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.

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.

Commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

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.

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(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 expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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In determining the amount of current and deferred 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(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.

(u) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Acquisition of subsidiary

On 1 November 2014, the Group obtained a controlling interest of KCE Singapore Pte., Ltd. ("KCE Singapore"), which is engaged in the business of sale agent in foreign countries, by acquiring additional ordinary shares at the proportion of 51%, amounting to Baht 166.2 million, resulting in the Group's total shareholding of 100% of the total issued and fully paid up shares in the subsidiary. Taking control of KCE Singapore will enable the Group to align the subsidiary's policy and market strategy with those of the Group. The Group determined the fair value of the previously-held equity interest in KCE Singapore prior to the change of status from associate to subsidiary as follow:

	<i>(in thousand Baht)</i>
Fair value of previously-held equity interest	
prior to the change of status from associate to subsidiary	124,731
Less carrying amount of investment at equity method	(39,583)
Gain on previously-held equity interest in associate	85,148

For the period from 1 November 2014 to 31 December 2014, KCE Singapore contributed total revenue of Baht 57 million and net profit of Baht 15 million to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue for the year ended 31 December 2014 would have been Baht 330 million (equivalent to USD 10.18 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 2014.

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

Consideration transferred

	Fair value <i>(in thousand Baht)</i>
Consideration transferred for the acquisition of ordinary shares of KCE Singapore	166,210
Cash and cash equivalents received from business combination	(12,593)
Net	<u>153,617</u>
Fair value of previously-held equity interest in associate prior to the change of status from associate to subsidiary	124,731
Total	<u>278,348</u>

Identifiable assets acquired, liabilities assumed and goodwill

	Carrying amounts	Fair value adjustments <i>(in thousand Baht)</i>	Recognised values
Cash and cash equivalents	12,593	-	12,593
Trade and other receivables	132,165	-	132,165
Inventories	5,305	-	5,305
Property, plant and equipment	33,286	129,743	163,029
Other assets	832	-	832
Intangible assets - customer relationship	-	96,219	96,219
Deferred tax liability	-	(45,192)	(45,192)
Other liabilities	(111,715)	-	(111,715)
Total identifiable net assets	<u>72,466</u>	<u>180,770</u>	<u>253,236</u>
Interest in acquired business (%)			<u>100</u>
Net identifiable assets acquired and liabilities assumed			<u>253,236</u>
Goodwill			<u>37,705</u>
Total consideration			<u>290,941</u>
Cash and cash equivalents received			<u>(12,593)</u>
Consideration - net			<u>278,348</u>

The goodwill is attributable mainly to the marketing skills and technical talent of KCE Singapore's work force, and the synergies expected to be achieved from integrating KCE Singapore 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.

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

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.

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

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

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	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Subsidiaries				
Sales of goods	-	-	122	107
Rendering of service	-	-	19	45
Other income	-	-	15	16
Sales of property, plant and equipment	-	-	27	5
Purchases of goods	-	-	1,313	1,104
Purchases of property, plant and equipment	-	-	46	20
Commission expense	-	-	5	-
Other expenses	-	-	12	10
Dividend income	-	-	606	127
Associates				
Sales of goods	1,923	1,741	777	786
Other income	1	2	-	-
Purchases of raw material	386	337	171	143
Purchases of property, plant and equipment	6	9	6	3
Commission expenses	119	79	30	32
Other expense	9	15	6	11
Dividend income	4	-	4	-
Other related party				
Purchases of intangible assets	-	2	-	1
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	100	73	38	36
Share-based payments	43	-	30	-
Retirement benefits	2	11	1	2
Total key management personnel compensation	<u>145</u>	<u>84</u>	<u>69</u>	<u>38</u>

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

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

<i>Trade receivables</i> <i>- related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	6,048	9,324
K.C.E. International Co., Ltd.	-	-	17,593	8,368
KCE (Thailand) Co., Ltd.	-	-	9,073	8,123
Thai Laminate Manufacturer Co., Ltd.	-	-	710	837
KCE Singapore Pte. Ltd.	-	-	10,976	-
Associates				
KCE America, Inc.	658,604	748,694	316,332	312,085
KCE Singapore Pte., Ltd.	-	69,087	-	24,192
KCE Taiwan Co., Ltd.	26	-	-	-
Total	658,630	817,781	360,732	362,929
<i>Other receivables</i> <i>- related parties</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	10,753	30,214
Chemtronic Technology (Thailand) Co., Ltd.	-	-	2,696	1,984
K.C.E. International Co., Ltd.	-	-	2,015	8,423
KCE (Thailand) Co., Ltd.	-	-	5	5
Thai Laminate Manufacturer Co., Ltd.	-	-	533	24
Associates				
KCE Singapore Pte., Ltd.	-	1,943	-	-
KCE Taiwan Co., Ltd.	103	-	-	-
Total	103	1,943	16,002	40,650
<i>Trade payables</i> <i>- related parties</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
Thai Laminate Manufacturer Co., Ltd.	-	-	305,806	258,787
K.C.E. International Co., Ltd.	-	-	22,581	20,197
KCE Technology Co., Ltd.	-	-	131,798	121,594
Chemtronic Chemical Co., Ltd.	-	-	10,134	7,471
KCE Singapore Pte., Ltd.	-	-	20,291	-
Associates				
KCE Taiwan Co., Ltd	70,865	52,402	30,331	26,953
KCE Singapore Pte., Ltd.	-	26,000	-	21,184
Total	70,865	78,402	520,941	456,186

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

<i>Other payables for purchase of machineries and equipment - related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	5,499	18,013
K.C.E. International Co., Ltd.	-	-	-	1,904
Associates				
KCE Taiwan Co., Ltd.	2,780	977	2,762	614
KCE Singapore Pte., Ltd.	-	3	-	-
Total	2,780	980	8,261	20,531

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
KCE Technology Co., Ltd.	-	-	4	8
Thai Laminate Manufacturer Co., Ltd.	-	-	-	20
Associates				
KCE Singapore Pte., Ltd.	-	35,102	-	2,765
KCE America, Inc.	106	-	-	-
Total	106	35,102	4	2,793

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 35 to the financial statements.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	319	259	50	50
Cash at banks - current accounts	158,101	202,866	39,186	107,150
Cash at banks - savings accounts	304,265	143,637	108,104	66,884
Highly liquid short-term investments	-	55,000	-	-
Others	332	329	-	-
Total	463,017	402,091	147,340	174,084

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	430,856	392,156	140,743	164,692
United States Dollars (USD)	29,171	6,626	3,775	6,273
Euro (EUR)	2,256	2,537	2,088	2,347
Great British Pound (GBP)	734	772	734	772
Total	463,017	402,091	147,340	174,084

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	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Trade receivable					
Related parties	6	658,630	817,781	360,732	362,929
Other parties		2,850,511	2,365,339	1,017,983	954,615
Total		3,509,141	3,183,120	1,378,715	1,317,544
Less allowance for doubtful accounts		-	-	-	-
Net		3,509,141	3,183,120	1,378,715	1,317,544
Other receivables					
Related parties	6	103	1,943	16,002	40,650
Other parties		122,440	31,147	86,560	7,806
Total		122,543	33,090	102,562	48,456
Total trade and other receivables		3,631,684	3,216,210	1,481,277	1,366,000
Bad and doubtful debts expense (reversal) for the years ended 31 December		-	(353)	-	(322)

Aging analysis for trade accounts receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	421,170	518,166	217,422	235,718
Overdue:				
Less than 3 months	220,081	259,718	128,662	115,460
3 - 6 months	16,988	39,560	14,648	11,561
6 - 12 months	391	156	-	18
Over 12 months	-	181	-	172
	658,630	817,781	360,732	362,929
Less allowance for doubtful accounts	-	-	-	-
	658,630	817,781	360,732	362,929
Other parties				
Within credit terms	1,816,100	1,628,158	713,365	670,375
Overdue:				
Less than 3 months	925,603	699,321	292,546	276,565
3 - 6 months	61,668	24,090	10,379	5,804
6 - 12 months	41,180	11,737	1,693	1,871
Over 12 months	5,960	2,033	-	-
	2,850,511	2,365,339	1,017,983	954,615
Less allowance for doubtful accounts	-	-	-	-
	2,850,511	2,365,339	1,017,983	954,615
Net	3,509,141	3,183,120	1,378,715	1,317,544

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

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	149,163	130,010	28,617	31,268
United States Dollars (USD)	2,884,863	2,579,745	1,058,173	932,675
Euro (EUR)	432,943	453,460	289,730	333,696
Great British Pound (GBP)	42,172	19,905	2,195	19,905
Total	3,509,141	3,183,120	1,378,715	1,317,544

9 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Finished goods	366,359	322,659	48,929	34,571
Work in progress	227,794	205,508	108,328	88,660
Raw materials	378,482	358,079	72,541	63,943
Factory supplies	381,671	327,221	169,729	135,497
Spare parts	187,914	173,950	73,795	64,926
Goods in transit	50,588	70,802	5,939	22,642
	1,592,808	1,458,219	479,261	410,239
<i>Less</i> allowance for decline in value	(123,285)	(112,959)	(12,783)	(16,012)
Total	1,469,523	1,345,260	466,478	394,227
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,707,289	6,777,197	3,206,008	3,012,258
- Write-down to net realisable value (reversal)	10,325	65,610	(3,229)	(666)
Net	7,717,614	6,842,807	3,202,779	3,011,592

10 Investments in associates

	<i>Note</i>	Consolidated financial		Separate	
		statements		financial statements	
		Equity Method		Cost Method	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Associates					
At 1 January		98,795	77,674	3,962	3,962
Share of profit from investments in using associates equity method		34,284	13,019	-	-
Dividend income		(4,216)	-	-	-
Foreign currency translation differences for foreign operations		(11,758)	8,102	-	-
Acquisitions	5	(39,583)	-	(2,100)	-
Others		(823)	-	-	-
At 31 December		76,699	98,795	1,862	3,962

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

Investments in associates as at 31 December 2014 and 2013 and dividend income from investment for each year were as follows:

	Type of business	Country of incorporation	Consolidated financial statements							
			Ownership interest		Paid-up capital		Cost		Equity	
			2014	2013	2014	2013	2014	2013	2014	2013
			(%)				<i>(in thousand Baht)</i>			
Associates										
KCE America, Inc.	(1)	United States	50.00	50.00	USD 50,000	USD 50,000	644	644	63,963	58,012
KCE Singapore Pte., Ltd.	(1)	Singapore	100.00(*)	49.00	SGD 500,000	SGD 500,000	-	4,201	-	29,871
KCE Taiwan Co., Ltd.	(2)	Taiwan	49.00	49.00	NTD 3,000,000	NTD 3,000,000	1,540	1,540	12,736	10,912
Total							2,184	6,385	76,699	98,795

(1) Foreign sale representatives of the Group

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

* Being subsidiary as at 31 December 2014

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

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		Equity - net		Dividend Received	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)						<i>(in thousand Baht)</i>					
Associates												
KCE America, Inc.	25.0	25.0	USD 50,000	USD 50,000	322	322	-	-	322	322	-	-
KCE Singapore Pte., Ltd.	75.5(*)	24.5	SGD 500,000	SGD 500,000	-	2,100	-	-	-	2,100	-	-
KCE Taiwan Co., Ltd.	49.0	49.0	NTD 3,000,000	NTD 3,000,000	1,540	1,540	-	-	1,540	1,540	4,216	-
Total					1,862	3,962	-	-	1,862	3,962	4,216	-

* Being subsidiary as at 31 December 2014

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)	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)						<i>(in million Baht)</i>			
KCE America, Inc	31 December	50.00	50.00	757	810	631	695	2,000	1,720	10	2
KCE Singapore Pte., Ltd.	31 December	100.00(*)	49.00	-	130	-	77	-	201	-	7
KCE Taiwan Co., Ltd.	31 December	49.00	49.00	132	107	85	86	374	305	37	18
Total				889	1,047	716	858	2,374	2,226	47	27

* Being subsidiary as at 31 December 2014

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

11 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2014	2013
At 1 January		2,397,008	2,396,121
Acquisitions	5	166,210	-
Transfer from investment in associates	10	2,100	-
Disposals		(6,000)	-
Warrant granted to subsidiaries' directors and employees		35,741	887
At 31 December		<u>2,595,059</u>	<u>2,397,008</u>

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

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

Investments in subsidiaries as at 31 December 2014 and 2013, 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	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)											
Separate financial statements													
<i>Direct subsidiaries</i>													
KCE Technology Co., Ltd.	(1)	100.00	100.00	1,600,000	1,600,000	1,600,000	1,600,000	18,260	4,265	1,618,260	1,604,265	412,000	-
K.C.E. International Co., Ltd.	(1)	99.99	99.99	100,000	100,000	185,395	185,395	9,961	1,979	195,356	187,374	74,995	29,998
Chemtronic Technology (Thailand) Co., Ltd.	(2)	94.75	97.25	48,000	48,000	227,810	233,810	1,885	-	229,695	233,810	29,373	37,928
Thai Laminate Manufacturer Co., Ltd.	(3)	74.80	74.80	250,000	250,000	368,460	368,460	11,993	815	380,453	369,275	74,800	59,092
KCE (Thailand) Co., Ltd.	(4)	60.00	60.00	3,600	3,600	2,160	2,160	825	124	2,985	2,284	15,240	-
KCE Singapore Pte., Ltd.	(5)	75.50	24.50	SGD 500,000	SGD 500,000	168,310	-	-	-	168,310	-	-	-
Total						2,522,135	2,389,825	42,924	7,183	2,595,059	2,397,008	606,408	127,018
<i>Indirect subsidiaries</i>													
Chemtronic Chemical Co., Ltd.	(2)	93.75	96.03	4,800	4,800	-	-	-	-	-	-	-	-

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

All subsidiaries were incorporated in Thailand except KCE Singapore Pte., Ltd. which was incorporated in Singapore.

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	Buildings improvement	Vehicles	Buildings and plant under construction	Machinery and equipment installation	Machinery and equipment in transit	Total
<i>Cost</i>											
At 1 January 2013	352,175	807,648	7,100,775	232,835	429,982	21,016	85,014	-	1,098,734	29,083	10,157,262
Additions	54,000	1,802	54,747	5,435	6,191	110	12,959	177,853	709,090	136,778	1,158,965
Transfers	-	205,395	1,043,131	63,632	4,170	470	99	-	(1,316,897)	-	-
Disposals	-	(15,921)	(1,181,724)	(4,963)	(10,769)	(38)	(10,093)	-	(22,747)	-	(1,246,255)
At 31 December 2013 and 1 January 2014	406,175	998,924	7,016,929	296,939	429,574	21,558	87,979	177,853	468,180	165,861	10,069,972
Additions	29,606	285	50,288	15,180	3,651	13	23,844	936,074	2,977,981	43,699	4,080,621
Acquired in the business combination	-	162,887	-	-	142	-	-	-	-	-	163,029
Transfers	3,000	91,086	595,181	26,949	8,288	-	573	(107)	(523,243)	(201,727)	-
Disposals	-	(7,721)	(101,951)	(1,798)	(4,259)	-	(16,315)	-	(127,129)	-	(259,173)
At 31 December 2014	438,781	1,245,461	7,560,447	337,270	437,396	21,571	96,081	1,113,820	2,795,789	7,833	14,054,449

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	Buildings improvement	Vehicles	Building and plant under construction	Machinery and equipment installation	Machinery and equipment in transit	Total
	<i>(in thousand Baht)</i>										
<i>Depreciation and impairment losses</i>											
At 1 January 2013	-	229,526	4,054,125	169,965	412,595	13,582	40,431	-	-	-	4,920,224
Depreciation charge for the year	-	65,016	410,828	15,467	11,647	899	12,823	-	-	-	516,680
Impairment losses	-	-	18,056	-	-	-	-	-	-	-	18,056
Disposals	-	(14,739)	(694,615)	(857)	(11,537)	(38)	(5,950)	-	-	-	(727,736)
At 31 December 2013 and 1 January 2014	-	279,803	3,788,394	184,575	412,705	14,443	47,304	-	-	-	4,727,224
Depreciation charge for the year	-	77,190	432,040	16,592	11,724	1,670	15,065	-	-	-	554,281
Impairment losses	-	-	83,555	-	-	-	-	-	-	-	83,555
Transfer	-	-	(7,509)	-	7,019	-	490	-	-	-	-
Disposals	-	(5,961)	(129,180)	(566)	(4,091)	-	(13,845)	-	-	-	(153,643)
At 31 December 2014	-	351,032	4,167,300	200,601	427,357	16,113	49,014	-	-	-	5,211,417
<i>Net book value</i>											
At 1 January 2013											
Owned assets	352,175	578,122	2,699,194	62,870	16,940	7,434	13,741	-	1,098,734	29,083	4,858,293
Assets under finance leases	-	-	347,456	-	447	-	30,842	-	-	-	378,745
	352,175	578,122	3,046,650	62,870	17,387	7,434	44,583	-	1,098,734	29,083	5,237,038
At 31 December 2013 and 1 January 2014											
Owned assets	406,175	719,121	3,228,535	112,364	16,869	7,115	23,415	177,853	468,180	165,861	5,325,488
Assets under finance leases	-	-	-	-	-	-	17,260	-	-	-	17,260
	406,175	719,121	3,228,535	112,364	16,869	7,115	40,675	177,853	468,180	165,861	5,342,748
At 31 December 2014											
Owned assets	438,781	894,429	3,315,941	136,669	10,039	5,458	20,052	1,113,820	2,795,789	7,833	8,738,811
Assets under finance leases	-	-	77,206	-	-	-	27,015	-	-	-	104,221
	438,781	894,429	3,393,147	136,669	10,039	5,458	47,067	1,113,820	2,795,789	7,833	8,843,032

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	Buildings improvement	Vehicles	Building and plant under construction	Machinery and equipment installation	Machinery and equipment in transit	Total
	<i>(in thousand Baht)</i>										
Cost											
At 1 January 2013	164,388	132,264	2,178,880	181,708	52,296	18,374	28,444	-	40,981	-	2,797,335
Additions	-	-	43,669	5,038	1,835	78	-	177,853	26,589	-	255,062
Transfers	-	-	597	-	-	-	-	-	(597)	-	-
Disposals	-	-	(5,441)	(36)	(824)	-	(129)	-	(4,344)	-	(10,774)
At 31 December 2013 and 1 January 2014	164,388	132,264	2,217,705	186,710	53,307	18,452	28,315	177,853	62,629	-	3,041,623
Additions	-	-	107,911	14,288	1,091	-	14,492	857,562	2,681,804	7,831	3,684,979
Transfers	-	-	(7,026)	-	7,026	-	-	-	-	-	-
Disposals	-	-	(92,055)	(1,214)	(569)	-	(5,457)	-	(80,636)	-	(179,931)
At 31 December 2014	164,388	132,264	2,226,535	199,784	60,855	18,452	37,350	1,035,415	2,663,797	7,831	6,546,671
Depreciation and impairment losses											
At 1 January 2013	-	79,913	1,393,451	151,434	32,098	10,264	13,399	-	-	-	1,680,559
Depreciation charge for the year	-	3,680	109,752	7,760	5,669	746	4,685	-	-	-	132,292
Impairment losses	-	-	18,056	-	-	-	-	-	-	-	18,056
Disposals /Amortization	-	-	(2,482)	(36)	(824)	-	(129)	-	-	-	(3,471)
At 31 December 2013 and 1 January 2014	-	83,593	1,518,777	159,158	36,943	11,010	17,955	-	-	-	1,827,436
Depreciation charge for the year	-	3,680	103,289	5,500	5,416	723	6,619	-	-	-	125,227
Transfers	-	-	(7,019)	-	7,019	-	-	-	-	-	-
Impairment losses	-	-	6,944	-	-	-	-	-	-	-	6,944
Disposals	-	-	(66,641)	(174)	(569)	-	(5,241)	-	-	-	(72,625)
At 31 December 2014	-	87,273	1,555,350	164,484	48,809	11,733	19,333	-	-	-	1,886,982

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	Separate financial statements										
	Land	Buildings and plant	Machinery and plant equipment	Plant improvement	Furniture, Fixtures and office equipment	Buildings improvement	Vehicles	Building and plant under construction	Machinery and equipment installation	Machinery and equipment in transit	Total
<i>(in thousand Baht)</i>											
Net book value											
At 1 January 2013											
Owned assets	164,388	52,351	438,232	30,274	20,198	8,110	1,715	-	40,981	-	756,249
Assets under finance leases	-	-	347,197	-	-	-	13,330	-	-	-	360,527
	164,388	52,351	785,429	30,274	20,198	8,110	15,045	-	40,981	-	1,116,776
At 31 December 2013 and 1 January 2014											
Owned assets	164,388	48,671	698,928	27,552	16,364	7,442	863	177,853	62,629	-	1,204,690
Assets under finance leases	-	-	-	-	-	-	9,497	-	-	-	9,497
	164,388	48,671	698,928	27,522	16,364	7,442	10,360	177,853	62,629	-	1,214,187
At 31 December 2014											
Owned assets	164,388	44,991	593,979	35,300	12,046	6,719	2,101	1,035,415	2,663,797	7,831	4,566,567
Assets under finance leases	-	-	77,206	-	-	-	15,916	-	-	-	93,122
	164,388	44,991	671,185	35,300	12,046	6,719	18,017	1,035,415	2,663,797	7,831	4,659,689

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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 2014 amounted to Baht 2,425 million (2013: Baht 2,259 million) for the consolidated financial statements and Baht 1,158 million (2013: Baht 1,127 million) for the separate financial statements.

Plant and factory under construction

During 2013, the Group commenced construction of the new factories; costs incurred up to the report date as of 31 December 2014 totaled Baht 1,114 million (2013: Baht 177 million).

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 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 2014 of Baht 1,136 million (2013: Baht 638 million), as collateral for bank overdrafts and loans from banks, as described in Note 16.

12.2.2 Chemtronic Technology (Thailand) Co., Ltd. has mortgaged its land with a total net book value as at 31 December 2014 of Baht 68.6million (2013: Baht 68.6 million), as collateral for loans from banks, as described in Note 16.

12.2.3 KCE Singapore Pte., Ltd. has mortgaged its office building with a total net book value as at 31 December 2014 of Baht 161 million (2013: Baht 32.6 million), as collateral for loans from banks, as described in Note 16.

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 2014 and 2013 as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Interest expenses capitalised as cost of machinery and equipment (<i>in thousand Baht</i>)	28,057	7,229	27,260	-
Capitalisation rate (<i>% per annum</i>)	1.88-4.37	1.70-3.05	2.30-4.37	-

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Notes to the financial statements

13 Goodwill

	Note	Consolidated financial statements	
		2014	2013
<i>(in thousand Baht)</i>			
Cost			
At 1 January		79,793	79,793
Acquisitions through business combinations	5	37,705	-
At 31 December		117,498	79,793
Impairment losses			
At 1 January		-	-
Impairment loss		-	-
At 31 December		-	-
Net book value			
At 1 January		79,793	79,793
At 31 December		117,498	79,793

14 Intangible assets

	Note	Consolidated financial statements		
		Software License	Customer Relationship	Total
<i>(in thousand Baht)</i>				
Cost				
At 1 January 2013		225,799	-	225,799
Additions		47,862	-	47,862
At 31 December 2013 and 1 January 2014		273,661	-	273,661
Additions	5	71,782	96,219	168,001
Disposals		(13,510)	-	(13,510)
At 31 December 2014		331,933	96,219	428,152
Amortisation and impairment losses				
At 1 January 2013		65,117	-	65,117
Amortisation for the year		12,138	-	12,138
Disposals		-	-	-
At 31 December 2013 and 1 January 2014		77,255	-	77,255
Amortisation for the year		19,057	1,604	20,661
Disposals		(328)	-	(328)
At 31 December 2014		95,984	1,604	97,588
Net book value				
At 1 January 2013		160,682	-	160,682
At 31 December 2013 and 1 January 2014		196,406	-	196,406
At 31 December 2014		235,949	94,615	330,564

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	Separate financial statements Software License (in thousand Baht)
<i>Cost</i>	
At 1 January 2013	99,282
Additions	31,839
At 31 December 2013 and 1 January 2014	131,121
Additions	31,429
Disposals	(13,510)
At 31 December 2014	149,040
 <i>Amortisation and impairment losses</i>	
At 1 January 2013	28,593
Amortisation for the year	6,816
Disposals	-
At 31 December 2013 and 1 January 2014	35,409
Amortisation for the year	9,368
Disposals	(328)
At 31 December 2014	44,449
 <i>Net book value</i>	
At 1 January 2013	70,689
At 31 December 2013 and 1 January 2014	95,712
At 31 December 2014	104,591

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Notes to the financial statements

15 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	79,329	176,031	(87,302)	(142,097)
Set off of tax	(10,100)	(102,662)	10,100	102,662
Net deferred tax assets (liabilities)	<u>69,229</u>	<u>73,369</u>	<u>(77,202)</u>	<u>(39,435)</u>

	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	9,823	9,262	(42,262)	(48,697)
Set off of tax	(9,823)	(9,262)	9,823	9,262
Net deferred tax assets (liabilities)	<u>-</u>	<u>-</u>	<u>(32,439)</u>	<u>(39,435)</u>

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements				
	(Charged) /Credited to:				
	At 1 January 2014	Profit or loss <i>(Note 30)</i> <i>(in thousand Baht)</i>	Other comprehensive income <i>(Note 5)</i>	Acquired in business combination <i>(Note 5)</i>	At 31 December 2014
<i>Deferred tax assets</i>					
Allowance for decline in value of inventories	22,592	(3,701)	-	-	18,891
Allowance for impairment of assets	-	15,322	-	-	15,322
Employee benefit obligations	15,219	996	-	-	16,215
Loss carry forward	138,200	(109,309)	-	-	28,891
Others	20	(10)	-	-	10
Total	<u>176,031</u>	<u>(96,702)</u>	<u>-</u>	<u>-</u>	<u>79,329</u>
<i>Deferred tax liabilities</i>					
Finance lease agreements	(46,857)	4,318	-	-	(42,539)
Intangible assets	-	-	-	(44,763)	(44,763)
Insurance claim receivable	(95,240)	95,240	-	-	-
Total	<u>(142,097)</u>	<u>99,558</u>	<u>-</u>	<u>(44,763)</u>	<u>(87,302)</u>
Net	<u>33,934</u>	<u>2,856</u>	<u>-</u>	<u>(44,763)</u>	<u>(7,973)</u>

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	Consolidated financial statements			At 31 December 2013
	(Charged) /Credited to:			
	At 1 January 2013	Profit or loss Other comprehensive income (Note 30) (in thousand Baht)	-	
Deferred tax assets				
Allowance for decline in value of inventories	8,606	13,986	-	22,592
Employee benefit obligations	13,460	1,101	658	15,219
Loss carry forward	143,362	(5,162)	-	138,200
Others	20	-	-	20
Total	165,448	9,925	658	176,031
Deferred tax liabilities				
Finance lease agreements	(49,101)	2,244	-	(46,857)
Insurance claim receivable	(111,400)	16,160	-	(95,240)
Total	(160,501)	18,404	-	(142,097)
Net	4,947	28,329	658	33,934
	Separate financial statements			At 31 December 2014
	(Charged) /Credited to:			
	At 1 January 2014	Profit or loss Other comprehensive income (Note 30) (in thousand Baht)	-	
Deferred tax assets				
Allowance for decline in value of inventories	3,202	91	-	3,293
Employee benefit obligations	6,040	480	-	6,520
Others	20	(10)	-	10
Total	9,262	561	-	9,823
Deferred tax liabilities				
Finance lease agreements	(46,857)	4,595	-	(42,262)
Insurance claim receivable	(1,840)	1,840	-	-
Total	(48,697)	6,435	-	(42,262)
Net	(39,435)	6,996	-	(32,439)

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	At 1 January 2013	Separate financial statements (Charged) /Credited to:		At 31 December 2013
		Profit or loss (Note 30) (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Allowance for decline in value of inventories	3,336	(134)	-	3,202
Employee benefit obligations	6,997	248	(1,205)	6,040
Loss carry forward	30,810	(30,810)	-	-
Others	20	-	-	20
Total	41,163	(30,696)	(1,205)	9,262
Deferred tax liabilities				
Finance lease agreements	(49,101)	2,244	-	(46,857)
Insurance claim receivable	(2,000)	160	-	(1,840)
Total	(51,101)	2,404	-	(48,697)
Net	(9,938)	(28,292)	(1,205)	(39,435)

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Deductible temporary differences	-	-	-	-
Tax losses carry forward	-	55,000	-	-
Total	-	55,000	-	-

The tax losses expire in 2014-2025. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

16 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts - secured	3,814	-	3,814	-
Short-term loans from financial institutions				
- secured	135,395	183,445	-	30,000
Packing credits - secured	1,953,421	2,506,312	568,514	810,028
Trust receipts - secured	559,085	529,983	-	58,932
Total bank overdrafts and short-term loans from financial institutions	2,651,715	3,219,740	572,328	898,960

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current portion of liabilities under hire-purchase and finance lease liabilities	34,454	5,720	31,135	3,484
Current portion of long-term loans - secured	375,200	843,513	207,356	282,081
Total current interest-bearing liabilities	<u>3,061,369</u>	<u>4,068,973</u>	<u>810,819</u>	<u>1,184,525</u>
<i>Non-current</i>				
Liabilities under hire-purchase and finance lease agreements	46,106	4,223	41,184	1,958
Long-term loans - secured	2,802,415	778,632	2,734,870	366,198
Total non-current interest-bearing liabilities	<u>2,848,521</u>	<u>782,855</u>	<u>2,776,054</u>	<u>368,156</u>
Total	<u>5,909,890</u>	<u>4,851,828</u>	<u>3,586,873</u>	<u>1,552,681</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
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	3,026,915	4,063,253	779,684	1,181,041
After one year but within five years	1,788,471	778,632	1,720,926	366,198
After five years	1,013,944	-	1,013,944	-
Total	<u>5,829,330</u>	<u>4,841,885</u>	<u>3,514,554</u>	<u>1,547,239</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
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Property, plant and equipment	1,365,650	706,348	-	-
Total	<u>1,365,650</u>	<u>706,348</u>	<u>-</u>	<u>-</u>

- 16.1 As at 31 December 2013 bank overdrafts and partial loans from financial institutions of the Company are guaranteed by K.C.E. International Co., Ltd., a subsidiary company (2014: nil).
- 16.2 As at 31 December 2013 bank overdrafts and loans from financial institutions of K.C.E. International Co., Ltd., a subsidiary company, are guaranteed by the Company (2014: nil).
- 16.3 As at 31 December 2013 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 (2014: nil).

KCE Electronics Public Company Limited and its subsidiaries

Notes to the financial statements

- 16.4 Under the long-term loans agreement from financial institutions of KCE Electronics Public Company Limited, the Company has to comply with certain conditions, including maintaining interest bearing debt to equity ratio of not more than 3:1 and debt service coverage ratio (DSCR) of not less than 1.1:1.
- 16.5 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.
- 16.6 Long-term loans from financial institutions of Chemtronic Technology (Thailand) Co., Ltd., a subsidiary, are secured by mortgage of subsidiary's land. Under the loan agreement, the subsidiary company has to comply with certain conditions, including maintaining interest bearing debt to equity ratio of not more than 1.
- 16.7 Long-term loans from financial institutions of KCE Singapore Pte., Ltd., a subsidiary, are secured by mortgage of subsidiary's office building. Under the loan agreement, the subsidiary company has to comply with certain conditions, including maintaining gearing ratio shall not be more than 1.

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Details of long-term loans from banks as at 31 December 2014 and 2013 are as follows:

No.	Contract date	Outstanding long-term loans amount						Significant terms and conditions of loan agreements			
		2014			2013			Loan period	Interest rate	Principal repayment	Interest repayment
		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total				
<i>(in thousand Baht)</i>						<i>(Percent per annum)</i>					
The Company only											
1.	4 October 2012	62,500	37,500	100,000	50,000	87,500	137,500	4 years	fixed percentage	3 months	1 month
2.	25 March 2011	7,966	-	7,966	14,036	7,926	21,962	4 years 3 months	SIBOR 3M + fixed percentage	1 month	1 month
3.	25 March 2011	-	-	-	11,427	-	11,427	5 years 6 months	SIBOR 3M + fixed percentage	1 month	1 month
4.	19 July 2011	-	-	-	70,405	-	70,405	3 years	SIBOR 3M + fixed percentage	1 month	1 month
5.	26 November 2012	133,115	128,218	261,333	132,457	260,040	392,497	4 years	fixed percentage	1 month	1 month
6.	16 July 2012	3,775	7,010	10,785	3,756	10,732	14,488	4 years 6 months	SIBOR 3M + fixed percentage	1 month	1 month
7.	7 October 2013*	-	1,360,000	1,360,000	-	-	-	8 years	BIBOR 3M + fixed percentage	3 months	1 month
8.	12 December 2013*	-	1,202,142	1,202,142	-	-	-	8 years	LIBOR 3M + fixed percentage	3 months	1 month
Total loans of the Company		207,356	2,734,870	2,942,226	282,081	366,198	648,279				

(*) The Company utilised the loan in 2014.

Subsidiaries

KCE Technology Co., Ltd.

1.	12 May 2011 amendment on 22 December 2011	138,546	13,121	151,667	287,022	150,916	437,938	4 years 10 months	SIBOR + fixed percentage	1 month	1 month
2.	19 May 2011	-	-	-	13,773	-	13,773	6 years	SIBOR + fixed percentage	3 months	1 month
3.	31 January 2012	-	-	-	65,898	186,646	252,544	4 years	SIBOR + fixed percentage	3 months	1 month
4.	17 October 2012	-	-	-	172,564	-	172,564	1 year 9 months	fixed percentage	3 months	1 month
		<u>138,546</u>	<u>13,121</u>	<u>151,667</u>	<u>539,257</u>	<u>337,562</u>	<u>876,819</u>				

K.C.E International Co., Ltd.

1.	13 June 2011	16,556	24,217	40,773	16,475	40,572	57,047	6 years	SIBOR 3M + fixed percentage	3 months	1 month
		<u>16,556</u>	<u>24,217</u>	<u>40,773</u>	<u>16,475</u>	<u>40,572</u>	<u>57,047</u>				

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No.	Contract date	Outstanding long-term loans amount						Significant terms and conditions of loan agreements			
		2014			2013			Loan period	Interest rate	Principal repayment	Interest repayment
		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total				
		<i>(in thousand Baht)</i>						<i>(Percent per annum)</i>			
<u>Chemtronic Technology (Thailand) Co., Ltd.</u>											
1.	23 December 2013	7,600	26,700	34,300	5,700	34,300	40,000	5 years 9 months	MLR - fixed percentage	3 months	1 month
		<u>7,600</u>	<u>26,700</u>	<u>34,300</u>	<u>5,700</u>	<u>34,300</u>	<u>40,000</u>				
<u>KCE Singapore Pte., Ltd.</u>											
1.	28 July 2011	5,142	3,507	8,649	-	-	-	5 years	SOR 3M + fixed percentage	3 months	3 months
		<u>5,142</u>	<u>3,507</u>	<u>8,649</u>	<u>-</u>	<u>-</u>	<u>-</u>				
Total loans of subsidiaries		167,844	67,545	235,389	561,432	412,434	973,866				
Total loans of the Company and subsidiaries		375,200	2,802,415	3,177,615	843,513	778,632	1,622,145				

As at 31 December 2014 the Group and the Company had all types of unutilised credit facilities totaling Baht 10,702 million, US dollar 157 million and SGD 2 million (Baht 4,426 million and US dollar 111 million for separate financial statements). This included credit facilities for construction of the new factory.

As at 31 December 2013 the Group and the Company had all types of unutilised credit facilities totaling Baht 8,399 million and US dollar 108 million (Baht 2,494 million and US dollar 93 million). This included credit facilities for construction of the new factory.

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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					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	37,870	(3,416)	34,454	6,046	(326)	5,720
After one year but within five years	48,086	(1,980)	46,106	4,387	(164)	4,223
Total	85,956	(5,396)	80,560	10,433	(490)	9,943

	Separate financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	34,169	(3,034)	31,135	3,672	(188)	3,484
After one year but within five years	42,791	(1,607)	41,184	2,008	(50)	1,958
Total	76,960	(4,641)	72,319	5,680	(238)	5,442

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 3 - 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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	3,261,674	2,678,889	1,728,134	870,942
United States Dollars (USD)	2,271,702	2,151,037	1,482,225	681,739
Euro (EUR)	376,514	13,995	376,514	-
Yen	-	7,907	-	-
Total	5,909,890	4,851,828	3,586,873	1,552,681

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17 Trade payables and others

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Trade payables					
Related parties	6	70,865	78,402	520,941	456,186
Other parties		1,143,778	1,162,944	278,518	246,009
Other payables for purchase of machineries and equipment					
Related parties	6	2,780	980	8,261	20,531
Other parties		835,610	418,485	776,390	199,181
Other payables					
Related parties	6	106	35,102	4	2,793
Other parties		101,505	82,746	31,589	27,968
Accrued expenses		514,173	394,138	158,340	112,137
Total trade and other payables		<u>2,668,817</u>	<u>2,172,797</u>	<u>1,774,043</u>	<u>1,064,805</u>

18 Employee benefit obligations

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	76,097	67,301	30,199	34,983
Benefits paid by the plan	(4,903)	(2,515)	(1,326)	(2,464)
Current service costs and interest	9,879	8,023	3,729	3,707
Actuarial (gains) losses in other comprehensive income	-	3,288	-	(6,027)
Defined benefit obligations at 31 December	<u>81,073</u>	<u>76,097</u>	<u>32,602</u>	<u>30,199</u>

Expense recognised in profit or loss (Note 27)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	6,809	5,592	2,400	2,335
Interest on obligation	3,070	2,431	1,329	1,372
Total	<u>9,879</u>	<u>8,023</u>	<u>3,729</u>	<u>3,707</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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	3,780	3,763	1,950	1,879
Administrative expenses	6,099	4,260	1,779	1,828
Total	9,879	8,023	3,729	3,707

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	3,288	-	(6,207)	-
Recognised during the year	-	3,288	-	(6,207)
At 31 December	3,288	3,288	(6,207)	(6,207)

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
Discount rate	4.4	4.4	4.4	4.4
Future salary increases	4.0-6.0	4.0-6.0	4.0-6.0	4.0-6.0

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

19 Share capital

	Par value per share <i>(in Baht)</i>	2014		2013	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	578,422	578,422	491,830	491,830
Reduction of shares	1	(995)	(995)	(28,976)	(28,976)
Increase of authorised share capital	1	10,000	10,000	115,568	115,568
At 31 December					
- ordinary shares	1	587,427	587,427	578,422	578,422
Issued and paid-up					
At 1 January					
- ordinary shares	1	480,495	480,495	472,601	472,601
Reduction of shares	1	-	-	(14,000)	(14,000)
Issue of new shares	1	85,133	85,133	21,894	21,894
At 31 December					
- ordinary shares	1	565,628	565,628	480,495	480,495

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Reduction of the Company's authorised share capital

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

On 29 April 2013, the Company's shareholders at the Annual General Meeting approved the reduction of the Company's authorised share capital in the amount of Baht 14,975,731 from the current authorised share capital of Baht 491,829,500 to Baht 476,853,769 by cancelling 14,975,731 unissued ordinary shares with Baht 1 par value per share. The Company registered the reduction of its authorised share capital with the Ministry of Commerce on 8 May 2013.

During 2013, the Company reduced its authorised and issued and paid-up share capital by way of writing off all 14,000,000 repurchased shares as described in Note 20.

Increasing of registered capital

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

On 29 April 2013, the Company's shareholders at the Annual General Meeting approved the increase of the Company's authorised share capital in the amount of Baht 115,567,813 from the authorised share capital of Baht 476,853,769 to Baht 592,421,582 by issuing 115,567,813 new ordinary shares at Baht 1 par value per share. The Company registered the increase of the authorised share capital with the Ministry of Commerce on 10 May 2013.

The allocation of new ordinary shares

On 29 April 2013, the Company's shareholders at the Annual General Meeting approved the allocation of not exceeding 115,567,813 new ordinary shares at Baht 1 par value per share as follows:

1. not exceeding 115,248,942 shares to accommodate the exercise of warrants (KCE-W2) to be allocated to its existing shareholders in proportion to their shareholdings (Rights Offering);
2. not exceeding 81,520 shares to accommodate the adjustment of rights of warrants to Purchase Ordinary Shares of the Company (ESOP-W3) allocated to directors and employees of the Company and/or its subsidiaries ("ESOP Warrants-W3").
3. not exceeding 237,351 shares to accommodate the adjustment of rights of warrants to Purchase Ordinary Shares of the Company (ESOP-W4) allocated to directors and employees of the Company and/or its subsidiaries ("ESOP Warrants-W4").

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Issue of new shares

During the years ended 31 December 2014 and 2013, the Company had issued new shares from the exercise of warrants as follows:

	2014		2013	
	Number	Baht	Number	Baht
	<i>(thousand shares/thousand Baht)</i>			
The exercise of warrants ESOP-W3	-	-	540	540
The exercise of warrants ESOP-W4	18	18	3,019	3,019
The exercise of warrants KCE-W2	78,922	78,922	18,335	18,335
The exercise of warrants ESOP-W5	6,193	6,193	-	-
Total	<u>85,133</u>	<u>85,133</u>	<u>21,894</u>	<u>21,894</u>

20 Treasury shares

During 2013, the Company reduced its authorised and issued and paid-up share capital by way of writing off all 14,000,000 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. 6/2556 on 18 June 2013. This resulted in a decrease in its authorised and issued and paid-up share capital from authorised share capital of 592,421,582 ordinary shares (Baht 1 each) and issued and paid-up share capital of 474,995,769 ordinary shares (Baht 1 each) to authorised share capital of 578,421,582 ordinary shares (Baht 1 each) and issued and paid-up share capital of 460,995,769 ordinary shares (Baht 1 each). The Company registered the reduction of its registered share capital with the Ministry of Commerce on 27 June 2013.

21 Share warrants

21.1 Share warrants ESOP-W3 and ESOP-W4

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. As at 31 December 2013, all these warrants had been exercised and cancelled.

Subsequently on 28 April 2011, the Annual General Meeting of the Company's shareholders passed a resolution approving 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 at 31 December 2014, all these warrants had been exercised and cancelled.

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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. The fair value of the warrants granted “ESOP-W4” was Baht 1.238.

On 29 April 2013, the Annual General Meeting of the Company’s shareholders passed a resolution approving the adjusted the exercise price and exercise ratio of ESOP-W3 and ESOP-W4 as follows:

ESOP-W3

	Prior to the Adjustment	Following the Adjustment
Exercise Price	6.860	5.904
Exercise Ratio	1 unit : 1 share	1 unit : 1.16199 shares

ESOP-W4

	Prior to the Adjustment	Following the Adjustment
Exercise Price	7.810	6.721
Exercise Ratio	1 unit : 1 share	1 unit : 1.16199 shares

The said adjustment was effective since 7 May 2013 onward. The adjustment resulted to the incremental fair value of ESOP-W4 of Baht 1.4 million.

Movements of share warrants ESOP-W3 and ESOP-W4 during the years ended 31 December 2014 and 2013 are summarised below:

	2014		2013	
	Number	Baht	Number	Baht
	<i>(in thousand shares/thousand Baht)</i>			
Warrants issued at 1 January	380	683	4,253	4,009
<i>Add:</i> Incremental fair value	-	-	-	1,397
<i>Less:</i> Exercised during the period	(15)	(34)	(3,398)	(4,723)
Canceled during period	(365)	(649)	(475)	-
Warrants issued at 31 December	<u>-</u>	<u>-</u>	<u>380</u>	<u>683</u>

In March 2013, the Company received share subscription from ESOP-W3 for 540,000 additional ordinary shares of Baht 6.86 each share and from ESOP-W4 for 1,855,000 additional ordinary shares of Baht 7.81 each share supporting the exercise of the warrants, totaling of Baht 18.2 million. The Company registered the said increase of new shares with the Ministry of Commerce on 22 March 2013.

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In June 2013, the Company received share subscription from ESOP-W4 for 530,000 warrants or equivalent to 615,300 additional ordinary shares of Baht 6.721 each share supporting the exercise of the warrants, totaling of Baht 4.1 million. The Company registered the said increase of new shares with the Ministry of Commerce on 5 July 2013.

In December 2013, the Company received share subscription from ESOP-W4 for 473,000 warrants or equivalent to 549,100 additional ordinary shares of Baht 6.721 each share supporting the exercise of the warrants, totaling of Baht 3.7 million. The Company registered the said increase of new shares with the Ministry of Commerce on 19 December 2013.

In March 2014, the Company received share subscription from ESOP-W4 for 15,000 warrants or equivalent to 17,400 additional ordinary shares of Baht 6.721 each share supporting the exercise of the warrants, totaling of Baht 0.1 million. The Company registered the said increase of new shares with the Ministry of Commerce on 17 March 2014.

On 18 March 2014, the Board of Directors of the Company passed a resolution revising the final exercise date of share warrants ESOP-W4, which were issued and allocated to directors and employees, from 10 March 2017 to 30 June 2014 resulted in canceling share warrants 365,000 warrants.

As at 31 December 2013, share warrants outstanding consists of share warrants of ESOP-W4 project of 380,000 units (2014: nil).

21.2 Share warrants KCE-W2

On 29 April 2013, the Company's shareholders at the Annual General Meeting approved the issue and offering of warrants to purchase ordinary shares of the Company (KCE-W2) in the amount not exceeding 115,248,942 units to its existing shareholders in proportion to their shareholdings (Rights Offering) at the ratio of 4 ordinary shares to 1 unit of warrant without any charge and at the exercise price of Baht 5.00 per share.

On 17 June 2013, the Company allocated the Company's warrants (KCE-W2). The warrants are exercisable within 3 years from the issuing date at the exercise price of Baht 5.00 per share at a ratio of 1 warrant to 1 new ordinary share, every quarter from 1 to 10 of March, June, September and December, starting from 1 to 10 September 2013 and with a final exercise date at 10 June 2016.

Movements of share warrants KCE-W2 during the years ended 31 December 2014 and 2013 are summarised below:

	2014	2013
	Number	
	(in thousand unit)	
Warrants issued at 1 January	96,910	-
Add: Warrants issued during the period	-	115,245
Less: Exercised during the period	(78,922)	(18,335)
Warrants issued at 31 December	17,988	96,910

In September 2013, the Company received share subscription from KCE-W2 for 7,659,867 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrants, totaling of Baht 38.3 million. The Company registered the said increase of new shares with the Ministry of Commerce on 10 September 2013.

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In December 2013, the Company received share subscription from KCE-W2 for 10,675,053 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrants, totaling of Baht 53.4 million. The Company registered the said increase of new shares with the Ministry of Commerce on 19 December 2013.

In March 2014, the Company received share subscription from KCE-W2 for 68,525,052 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrant, totaling of Baht 342.6 million. The Company registered the said increase of new shares with the Ministry of Commerce on 17 March 2014.

In June 2014, the Company received share subscription from KCE-W2 for 7,622,140 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrant, totaling of Baht 38.1 million. The Company registered the said increase of new shares with the Ministry of Commerce on 13 June 2014.

In September 2014, the Company received share subscription from KCE-W2 for 2,099,313 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrant, totaling of Baht 10.5 million. The Company registered the said increase of new shares with the Ministry of Commerce on 16 September 2014.

In December 2014, the Company received share subscription from KCE-W2 for 675,950 additional ordinary shares of Baht 5.00 each share supporting the exercise of the warrant, totaling of Baht 3.4 million. The Company registered the said increase of new shares with the Ministry of Commerce on 9 December 2014.

21.3 Share warrants ESOP-W5

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

Measurement of fair value

The fair value of the warrants granted "ESOP-W5" was measured based on Binomial option pricing model. Expected volatility is estimated by considering historic average share price volatility during the period 3 May 2012 to 30 April 2014.

The inputs used in the measurement of the fair values at grant date of warrants "ESOP-W5" were as follows:

Fair value at grant date	Baht	9.42
Share price at grant date	Baht	35.00
Exercise price	Baht	31.99
Expected volatility (%)		39.66
Expected dividends (%)		2.02
Risk-free interest rate (%)		2.45

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The expense recognised from share-based payment transaction for the year ended 31 December 2014 was Baht 75.7 million for the consolidated financial statements and Baht 39.9 million for the separate financial statements.

Movements of the number of issued and allotted share warrants ESOP-W5 during the year ended 31 December 2014 are summarised below:

	Number (in thousand unit)
Warrants issued at 1 January 2014	-
Add: Warrants issued during the year	10,000
Less: Exercised during the year	(6,193)
Cancelled during the year	-
Warrants issued at 31 December 2014	<u>3,807</u>

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

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

In December 2014, the Company received share subscription from ESOP-W5 for 349,000 additional ordinary shares of Baht 31.99 each share supporting the exercise of the warrants, totaling of Baht 11.2 million. The Company registered the said increase of new shares with the Ministry of Commerce on 18 December 2014.

Movements of the fair value of share warrants ESOP-W5 during the year ended 31 December 2014 are summarised below:

	Fair value (in thousand Baht)
At 1 January 2014	-
Increase	75,663
Exercised during the year	(58,364)
At 31 December 2014	<u>17,299</u>

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Notes to the financial statements

22 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.

23 Segment information

The Group has three reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Manufacturing and distributing of Prepreg and Laminate.
- Segment 2 Manufacturing and distributing of Printed Circuit Board
- Segment 3 Manufacturing and distributing of Chemical

None of other segments meets the quantitative thresholds for determining reportable segments in 2014 or 2013.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group’s CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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The Company and its subsidiaries' operations mainly involve business segments in manufacture and sale of prepreg and laminate products, printed circuit board, and chemical products with production facilities in Thailand and operate in both local and overseas markets. Financial information of the Company and its subsidiaries by business for the years ended 31 December 2014 and 2013 is as follows:

	Consolidated financial statements															
	For the years ended 31 December 2014 and 2013															
	Prepreg and Laminate business	Printed Circuit Board business								Chemical business	Eliminating entries		Total			
		America		Europe		Asia		Total			2014	2013	2014	2013	2014	2013
2014	2013	2014	2013	2014	2013	2013	2013	2014	2013	2014	2013	2014	2013	2014	2013	
<i>(in thousand Baht)</i>																
Revenues from external customers	67,504	63,555	1,828,429	1,627,722	5,894,015	4,784,937	3,177,034	2,607,289	10,899,478	9,019,948	317,344	210,392	-	-	11,284,326	9,293,895
Inter-segment revenues	1,832,274	1,631,053	-	-	-	-	1,265,018	1,068,542	1,265,018	1,068,542	81,829	64,620	(3,179,121)	(2,764,215)	-	-
Total revenues	<u>1,899,778</u>	<u>1,694,608</u>	<u>1,828,429</u>	<u>1,627,722</u>	<u>5,894,015</u>	<u>4,784,937</u>	<u>4,442,052</u>	<u>3,675,831</u>	<u>12,164,496</u>	<u>10,088,490</u>	<u>399,173</u>	<u>275,012</u>	<u>(3,179,121)</u>	<u>(2,764,215)</u>	<u>11,284,326</u>	<u>9,293,895</u>
Segment operating profit	341,192	240,684							3,109,511	2,106,523	159,328	93,547	43,319	10,334	3,566,712	2,451,088
Unallocated profit and expenses:																
Compensation from insurance claim															131,000	32,602
Gain on previously-held equity interest prior to business combination															85,148	-
Other income															153,921	146,233
Selling expenses															(582,318)	(568,970)
Administrative expenses															(1,100,197)	(705,542)
Finance cost															(119,060)	(170,623)
Share of profit from investments in associates															34,284	13,019
Income tax expense															(46,226)	(16,304)
Profit for the year															<u>2,123,264</u>	<u>1,181,503</u>

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Financial information by business segment for the consolidated statements of financial position as at 31 December 2014 and 2013 are as follows:

	Prepreg and Laminate business		Printed Circuit Board business		Chemical business		Elimination of inter-segment revenues and consolidated transactions		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in thousand Baht)</i>									
Property, plant and equipment	533,819	309,095	8,020,939	4,888,399	139,290	122,587	148,984	22,667	8,843,032	5,342,748
Other assets	966,691	930,614	10,991,232	9,314,912	204,083	153,323	(5,845,305)	(4,457,355)	6,316,701	5,941,494
Total assets	<u>1,500,510</u>	<u>1,239,709</u>	<u>19,012,171</u>	<u>14,203,311</u>	<u>343,373</u>	<u>275,910</u>	<u>(5,696,321)</u>	<u>(4,434,688)</u>	<u>15,159,733</u>	<u>11,284,242</u>
Total liabilities	<u>559,871</u>	<u>439,920</u>	<u>9,249,825</u>	<u>7,612,110</u>	<u>98,849</u>	<u>97,520</u>	<u>(1,130,750)</u>	<u>(975,733)</u>	<u>8,771,795</u>	<u>7,173,817</u>

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

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Geographical information

In presenting geographical information, revenue is based on the geographical location of customers.

Major customer

Revenues from three customers of the Group's printed circuit board business segments represents approximately Baht 6,537 million (2013: Baht 4,801 million) of the Group's total revenues.

24 Gain on exchange rate and from hedging activities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in other income				
- Gain on exchange rate and from hedging activities - net	95,452	89,329	16,381	55,835

25 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Freight charge	197,078	220,446	103,508	110,077
Commission expense	234,960	223,865	76,378	64,225
Employee benefit expenses	23,943	13,298	3,688	3,562
Others	126,338	111,361	29,436	39,677
Total	582,319	568,970	213,010	217,541

26 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Employee benefit expenses	682,429	484,758	286,397	171,753
Depreciation of plant and equipment	36,018	25,802	13,089	11,444
Insurance expense	61,714	52,976	27,745	14,577
Repair and maintenance expenses	31,538	26,191	12,380	9,399
Others	288,499	115,815	107,779	58,798
Total	1,100,198	705,542	447,390	265,971

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27 Employee benefit expense

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in million Baht)</i>			
Wages and salaries		1,443,331	1,341,576	559,662	489,170
Contribution to defined contribution plans		27,933	23,614	8,164	7,478
Defined benefit plans	18	9,879	8,023	3,729	3,707
Others		400,201	222,465	161,964	97,695
Total		<u>1,881,344</u>	<u>1,595,678</u>	<u>733,519</u>	<u>598,050</u>

Defined benefit plans

Details of the defined benefit plans are given in note 18.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 4% to 8% of their basic salaries and by the Group at rates ranging from 4% to 8% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

28 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>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		4,201,990	3,619,603	2,346,238	2,090,516
Employee benefit expenses	27	1,881,344	1,595,678	733,519	598,050
Utility expenses		678,958	610,394	211,505	194,846
Depreciation of plant and equipment	12	554,281	516,680	125,227	132,292
Freight charge	25	197,078	220,446	103,508	110,077
Repair and maintenance expenses		312,342	226,492	90,843	83,314
Commission expense	25	234,960	223,865	76,378	64,225
Others		1,339,178	1,104,161	175,962	221,784
Total cost of sales of goods, selling expenses and administrative expenses		<u>9,400,131</u>	<u>8,117,319</u>	<u>3,863,180</u>	<u>3,495,104</u>

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29 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Finance costs to financial institutions		147,117	177,852	63,989	51,491
Less: amounts included in the cost of qualifying assets:					
- Machinery and equipment	12	(28,057)	(7,229)	(27,260)	-
Net		119,060	170,623	36,729	51,491

30 Income tax expense

Income tax recognised in profit or loss

<i>For the years ended 31 December</i>		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		43,770	44,666	-	2,095
Adjustment for prior years		5,312	(33)	5,312	-
		49,082	44,633	5,312	2,095
Deferred tax expense					
Movements in temporary differences		(2,856)	(28,329)	(6,996)	28,292
Income tax reduction - deferred		-	-	-	-
	15	(2,856)	(28,329)	(6,996)	28,292
Total		46,226	16,304	(1,684)	30,387

Reconciliation of effective tax rate

<i>For the years ended 31 December</i>		Consolidated financial statements			
		2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	
Profit before income tax expense		2,169,489		1,197,807	
Income tax using the Thai corporation tax rate	20	433,898	20	239,561	
Income not subject to tax	(17)	(369,417)	(19)	(221,712)	
Expenses not deductible for tax purposes and additional reduction transactions	-	1,807	-	1,333	
Current year losses for which no deferred tax asset was recognised	-	-	3	30,240	
Recognition of previously unrecognised deferred tax assets and tax losses	(1)	(11,000)	(3)	(30,800)	
Others	-	(9,062)	-	(2,318)	
Total		2	1	16,304	

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<i>For the years ended</i> <i>31 December</i>	Separate financial statements			
		2014		2013
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		922,778		480,195
Income tax using the Thai corporation tax rate	20	184,556	20	96,039
Income tax reduction - deferred	-	-	-	-
Income not subject to tax	(23)	(210,352)	(15)	(69,339)
Expenses not deductible for tax purposes and additional reduction transactions	2	17,944	-	1,001
Others	1	6,168	1	2,686
Total	-	(1,684)	6	30,387

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2014		2013			
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial gains (losses)	-	-	-	(3,288)	658	(2,630)
Total	-	-	-	(3,288)	658	(2,630)

	Separate financial statements					
	2014		2013			
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial gains (losses)	-	-	-	6,027	(1,205)	4,822
Total	-	-	-	6,027	(1,205)	4,822

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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

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32 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	KCE Technology Co., Ltd.			Chemtronic Technology (Thailand) Co., Ltd.	
	9026(2)/2556	1219(2)/2557	9002(2)/2557	1378/2543	1598(2)/2547	2432(2)/2555	1987(2)/2550	5006(2)/2557
1. Certificate No.								
2. Promotional privileges for	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Printed Circuit Board	Manufacturing of Copper Sulfate	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	8 years	3 years	7 years (Expired)	7 years (Expired)	8 years	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.	Not granted	Not granted	Not granted	Granted	Not 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	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.	Not granted	Not granted	Not granted	Granted (Expired)	Granted (Expired)	Not granted	Not granted	Not granted
4. Date of first earning operating income	11 July 2013	Not yet operated	11 January 2014	25 June 2001	1 November 2004	21 August 2012	19 April 2007	Not yet operated

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Details	Thai Laminate Manufacturer Co., Ltd.							
1. Certificate No.	1099/2544	1249(1)/2545	1664(2)/2547	1176(2)/2550	1160(2)/2551	2469(2)/2556	2489(2)/2557	2490(2)/2557
2. Promotional privileges for	Manufacturing of Prepreg	Manufacturing of Laminate	Manufacturing of Prepreg	Manufacturing of Prepreg and Laminate	Manufacturing of Prepreg and Laminate	Manufacturing of Prepreg and Laminate	Manufacturing of Prepreg	Manufacturing of Laminate
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)	5 years (Expired)	5 years	5 years	5 years	5 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)	Not granted	Not granted	Not granted	Not granted	Not granted	Not granted	Not granted
3.3 Exemption from import duty on machinery as approved by the board	Granted (Expired)	Granted (Expired)	Granted (Expired)	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.	Not granted	Not granted	Not granted	Not granted	Not granted	Granted	Granted	Granted
4. Date of first earning operating income	3 November 2000	1 September 2003	7 July 2004	2 May 2007	22 December 2009	Not yet operated	Not yet operated	Not yet operated

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

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Summary of revenue from promoted and non-promoted businesses:

	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	3,588,457	395,157	3,983,614	1,632,448	1,984,335	3,616,783
Local sales	37,715	148,930	186,645	11,843	186,198	198,041
Total Revenue	3,626,172	544,087	4,170,259	1,644,291	2,170,533	3,814,824

32 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 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	
	2014	2013	2014	2013
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	2,109,771	1,173,504	924,462	449,808
Number of ordinary shares outstanding at 1 January	480,495	472,601	480,495	472,601
Less Treasury shares/ Reduction of shares	-	(14,000)	-	(14,000)
Number of ordinary shares outstanding net of treasury shares/ reduction of shares	480,495	458,601	480,495	458,601
Effect from ordinary shares issued during the year	61,391	4,945	61,391	4,945
Weighted average number of ordinary shares outstanding (basic)	541,886	463,546	541,886	463,546
Earnings per share (basic) (in Baht)	3.89	2.53	1.71	0.97

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Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2014 and 2013 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	
	2014	2013	2014	2013
	<i>(thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>2,109,771</u>	<u>1,173,504</u>	<u>924,462</u>	<u>449,808</u>
Weighted average number of ordinary shares outstanding (basic)	541,886	463,546	541,886	463,546
Effect of share warrants	<u>32,553</u>	<u>41,927</u>	<u>32,553</u>	<u>41,927</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>574,439</u>	<u>505,473</u>	<u>574,439</u>	<u>505,473</u>
Earnings per share (diluted) (in Baht)	<u>3.67</u>	<u>2.32</u>	<u>1.61</u>	<u>0.89</u>

33 Dividends

On 29 April 2013, 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 2012 to 31 December 2012 at Baht 0.35 per share to the ordinary shareholders, totaling approximately Baht 161.3 million. The Company paid the dividend on 15 May 2013.

On 8 August 2013, 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 2013 to 30 June 2013 at Baht 0.25 per share to the ordinary shareholders, totaling approximately Baht 115.4 million. The Company paid the interim dividend on 6 September 2013.

On 29 April 2014, 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 2013 to 31 December 2013 at Baht 0.50 per share to the ordinary shareholders, totaling approximately Baht 274.5 million. The Company paid the dividend on 15 May 2014.

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

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34 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.

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:

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2014					
Current					
Cash and cash equivalents	0.10-0.75	463	-	-	463
Total		463	-	-	463
2013					
Current					
Cash and cash equivalents	0.10 - 2.70	402	-	-	402
Total		402	-	-	402

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
2014					
Current					
Cash and cash equivalents	0.10 - 0.75	147	-	-	147
Total		147	-	-	147
2013					
Current					
Cash and cash equivalents	0.10 - 0.75	174	-	-	174
Total		174	-	-	174

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	After 5 years	
<i>(in million Baht)</i>					
2014					
Bank overdrafts and short-term loans from financial institutions	0.72-3.30	2,652	-	-	2,652
Liabilities under hire-purchase and finance lease liabilities	1.88-7.91	35	46	-	81
Long-term loans	1.98-5.50	375	1,788	1,014	3,177
Total		3,062	1,834	1,014	5,910
2013					
Bank overdrafts and short-term loans from financial institutions	1.15 - 5.25	3,220	-	-	3,220
Liabilities under hire-purchase and finance lease liabilities	1.88 - 5.63	6	4	-	10
Long-term loans	2.00 - 5.63	843	779	-	1,622
Total		4,069	783	-	4,852

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	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	
2014					
Bank overdrafts and short-term loans from financial institutions	0.72-2.50	572	-	-	572
Liabilities under hire-purchase and finance lease liabilities	2.30-5.12	31	41	-	72
Long-term loans	1.98-4.36	207	1,721	1,014	2,942
Total		810	1,762	1,014	3,586
2013					
Bank overdrafts and short-term loans from financial institutions	1.15 - 3.10	899	-	-	899
Liabilities under hire-purchase and finance lease liabilities	4.28 - 5.12	3	2	-	5
Long-term loans	2.00 - 4.36	282	366	-	648
Total		1,184	368	-	1,552

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 utilises 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 2014 and 2013, the Group 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 2014	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying rate	Selling rate
	(Thousand Unit)				(Baht per unit of foreign currency)	
US dollar	89,316	110,106	32,535	72,140	32.7241	33.1132
Euro	10,977	12,232	7,360	11,601	39.6482	40.3552
Pound sterling	847	-	58	-	50.6455	51.5035
Japanese yen	-	45,492	-	18,234	0.2704	0.2765
SG dollar	-	11	-	11	24.5911	25.1274
Swiss franc dollar	-	5	-	-	32.9511	33.5627
TW dollar	-	356	-	-	1.0332	1.0427

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Currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December 2013	
	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	79,576	100,084	28,821	34,939	32.5795	32.9494
Euro	10,255	1,792	7,534	263	44.5980	45.3223
Pound sterling	387	-	387	-	53.4064	54.2572
Japanese yen	-	35,219	-	5,111	0.3092	0.3159
SG dollar	-	45	-	34	25.5670	26.1167
Swiss franc dollar	-	4	-	-	36.3018	36.9930
HK dollar	-	8	-	8	4.1877	4.2587

Forward exchange contracts

As at 31 December 2014 and 2013, the Group had outstanding forward exchange contracts as follows:

Currency	Amount <i>(Thousand)</i>	Consolidated financial statements Maturity date	Contract exchange rate <i>(Per unit of foreign currency)</i>
2014			
Buying contract			
US dollar	4,000	16 June 2015 - 22 June 2015	33.0500-33.2088 Baht
Selling contract			
US dollar	1,725	2 June 2015 - 24 June 2015	33.0300 - 33.2277 Baht
Euro	4,011	21 January 2015 - 18 June 2015	41.1615 - 43.8000 Baht
Pound sterling	192	14 June 2015	55.6720
2013			
Buying contract			
US dollar	13	13 June 2014 – 18 June 2014	32.3320 - 32.3399 Baht
US dollar	1,380	26 April 2014	0.7280 Euro
Selling contract			
US dollar	16,296	2 January 2014 - 26 June 2014	31.4200 - 32.9725 Baht
Euro	1,686	27 January 2014 - 17 June 2014	42.0900 - 42.9300 Baht

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Separate financial statements

Currency	Amount (Thousand)	Maturity date	Contract exchange rate (Per unit of foreign currency)
2014			
Selling contract			
Euro	1,000	18 June 2015	41.35 Baht
2013			
Buying contract			
US dollar	1,380	26 April 2014	0.7280 Euro
Selling contract			
US dollar	2,812	2 January 2014 - 22 May 2014	31.4200 - 32.0100 Baht
Euro	1,200	10 February 2014 - 11 June 2014	42.0900 - 44.3500 Baht

Commodity hedge agreement

As at 31 December 2014 the Company and its subsidiaries had outstanding copper swap agreement, of which details are presented below.

Type of good	Quantity (Ton)	Contract price	Commodity's market price As at 31 December 2014 (US dollar per ton)	Maturity date
Copper	480	6,400-6,550	6,359	31 January 2015- 30 September 2015

Interest rate swap

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. As at 31 December 2014, the outstanding balance of such agreement was none (2013: the outstanding balance was USD 1.5 million).

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.

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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.

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

The fair value of 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).

35 Commitments

Commitments

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Contracted but not provided				
Buildings and other constructions	209,247	737,316	123,315	737,316
Unrecognised purchase orders for machinery and equipment	207,742	406,714	101,521	292,834
Total	416,989	1,144,030	224,836	1,030,150
<i>Non-cancellable operating lease and long-term service commitments</i>				
Within one year	57,974	38,486	23,896	1,871
After one year but within five years	6,435	25,648	2,120	2,766
Total	64,409	64,134	26,016	4,637

As at 31 December 2014 and 2013, the Group has forward exchange contracts, currency call option agreements and interest rate swap as stated in Note 34.

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Guarantees

As at 31 December 2014 and 2013, 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. 2014	KCE Electronics Plc. 2013	K.C.E. International Co., Ltd. 2014	K.C.E. International Co., Ltd. 2013
	<i>(in thousand Baht)</i>			
KCE Electronics Plc.				
- Baht	-	-	-	62
K.C.E. International Co., Ltd.				
- Baht	-	115	-	-
- US dollar	-	2	-	-
KCE Technology Co., Ltd.				
- Baht	-	2,097	-	-
- US dollar	-	27	-	-

As at 31 December 2014, the Company and its subsidiaries had contingent liabilities in respect of bank guarantees issued on their behalf amounting to Baht 79 million (the Company only: Baht 36 million) (2013: Consolidated financial statement: Baht 73 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.

36 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. Those new and revised TFRS that are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TFRS 23 (revised 2014)	Borrowing Costs	2015
TFRS 24 (revised 2014)	Related Party Disclosures	2015
TFRS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TFRS 27 (revised 2014)	Separate Financial Statements	2015
TFRS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TFRS 33 (revised 2014)	Earnings per Share	2015
TFRS 34 (revised 2014)	Interim Financial Reporting	2015
TFRS 36 (revised 2014)	Impairment of Assets	2015

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TFRS	Topic	Year effective
TFRS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TFRS 38 (revised 2014)	Intangible Assets	2015
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases – Incentives	2015
TSIC 25 (revised 2014)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 32 (revised 2014)	Intangible Assets –Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real estate	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.