

Gratitude Infinite Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Gratitude Infinite Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Gratitude Infinite Public Company Limited and its subsidiaries as at 30 September 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016 and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2016, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Gratitude Infinite Public Company Limited for the same period.

Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 9 November 2016

Gratitude Infinite Public Company Limited and its subsidiaries**Statement of financial position****As at 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	272,226	212,470	271,084	210,328
Trade receivables	3 184,166	193,031	184,097	193,031
Inventories	4 129,781	125,857	129,606	125,462
Other current assets	4,169	1,676	3,047	506
Total current assets	590,342	533,034	587,834	529,327
Non-current assets				
Available-for-sale investments	5 98,697	73,264	98,697	73,264
Investment in subsidiary companies	6 -	-	29,799	23,999
Property, plant and equipment	7 116,178	119,075	100,550	102,142
Intangible assets	8 3,362	3,682	-	-
Other non-current assets	408	459	248	378
Total non-current assets	218,645	196,480	229,294	199,783
Total assets	808,987	729,514	817,128	729,110

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

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trust receipts	9	206,428	182,653	206,428	182,653
Trade and other payables	10	55,085	56,116	55,438	55,988
Current portion of liabilities under					
hire purchase agreements		845	544	845	544
Income tax payable		6,854	11,773	6,854	11,773
Other current liabilities		1,376	1,914	1,367	1,905
Total current liabilities		270,588	253,000	270,932	252,863
Non-current liabilities					
Liabilities under hire purchase agreements - net					
of current portion		1,602	965	1,602	965
Provision for long-term employee benefits	11	4,813	4,231	4,813	4,231
Deferred tax liabilities		1,944	484	1,944	484
Total non-current liabilities		8,359	5,680	8,359	5,680
Total liabilities		278,947	258,680	279,291	258,543

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

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2016</u>	<u>31 December 2015</u>	<u>30 September 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
454,029,949 ordinary shares of Baht 1 each		454,030	454,030	454,030	454,030
Issued and fully paid up					
302,686,717 ordinary shares of Baht 1 each		302,687	302,687	302,687	302,687
Share premium		41,651	41,651	41,651	41,651
Retained earnings					
Appropriated - statutory reserve		17,500	17,500	17,500	17,500
Unappropriated		157,147	97,888	163,766	102,474
Other components of shareholders' equity		11,066	6,255	12,233	6,255
Equity attributable to owners of the Company		530,051	465,981	537,837	470,567
Non-controlling interests of the subsidiaries	6	(11)	4,853	-	-
Total shareholders' equity		530,040	470,834	537,837	470,567
Total liabilities and shareholders' equity		808,987	729,514	817,128	729,110
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		188,268	193,901	188,164	193,901
Other income					
Gain on sale of available-for-sale investments		9,531	6,633	9,531	6,633
Others		2,346	1,798	2,324	1,799
Total revenues		200,145	202,332	200,019	202,333
Expenses					
Cost of sales		147,357	156,808	147,403	156,451
Reversal of reduction of cost of inventories to net realisable value		(133)	(303)	(133)	(303)
		147,224	156,505	147,270	156,148
Selling expenses		6,706	5,959	6,692	5,793
Administrative expenses		9,530	8,934	8,786	8,385
Other expenses					
Exchange losses		1,013	1,150	1,013	1,150
Total expenses		164,473	172,548	163,761	171,476
Profit before finance cost and income tax expenses		35,672	29,784	36,258	30,857
Finance cost		(1,144)	(1,183)	(1,144)	(1,183)
Profit before income tax expenses		34,528	28,601	35,114	29,674
Income tax expenses	12	(6,842)	(5,986)	(6,842)	(5,986)
Profit for the period		27,686	22,615	28,272	23,688
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on revaluation of available-for-sale investments		(592)	(11,561)	(592)	(10,850)
Less: Income tax effect	12	118	2,312	118	2,312
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(474)	(9,249)	(474)	(8,538)
Total comprehensive income for the period		27,212	13,366	27,798	15,150

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2016

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:					
Equity holders of the Company		27,686	22,830	28,272	23,688
Non-controlling interests of the subsidiaries		-	(215)		
		<u>27,686</u>	<u>22,615</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		27,212	13,581	27,798	15,150
Non-controlling interests of the subsidiaries		-	(215)		
		<u>27,212</u>	<u>13,366</u>		
Earnings per share					
	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.09</u>	<u>0.08</u>	<u>0.09</u>	<u>0.08</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.07</u>	<u>0.06</u>	<u>0.08</u>	<u>0.06</u>

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2016**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss:					
Revenues					
Sales		573,760	551,821	573,706	551,821
Other income					
Gain on sale of available-for-sale investments		19,724	18,704	19,724	18,704
Others		4,596	5,384	4,571	5,312
Total revenues		598,080	575,909	598,001	575,837
Expenses					
Cost of sales		445,373	442,069	445,030	441,024
Reduction of cost of inventories to net realisable value (reversal)		(396)	164	(396)	164
		444,977	442,233	444,634	441,188
Selling expenses		19,736	17,719	19,638	17,230
Administrative expenses		26,899	26,510	24,997	24,780
Other expenses					
Exchange losses		1,758	1,000	1,758	1,000
Others		334	-	334	-
Total expenses		493,704	487,462	491,361	484,198
Profit before finance cost and income tax expenses		104,376	88,447	106,640	91,639
Finance cost		(3,311)	(3,294)	(3,311)	(3,294)
Profit before income tax expenses		101,065	85,153	103,329	88,345
Income tax expenses	12	(20,849)	(17,819)	(20,849)	(17,819)
Profit for the period		80,216	67,334	82,480	70,526
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on revaluation of available-for-sale investments		7,473	(10,968)	7,473	(10,968)
Less: Income tax effect	12	(1,495)	2,194	(1,495)	2,194
Other comprehensive income to be reclassified		5,978	(8,774)	5,978	(8,774)
to profit or loss in subsequent periods - net of income tax		5,978	(8,774)	5,978	(8,774)
Total comprehensive income for the period		86,194	58,560	88,458	61,752

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2016

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:					
Equity holders of the Company		80,447	67,973	82,480	70,526
Non-controlling interests of the subsidiaries		(231)	(639)		
		<u>80,216</u>	<u>67,334</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		86,425	59,199	88,458	61,752
Non-controlling interests of the subsidiaries		(231)	(639)		
		<u>86,194</u>	<u>58,560</u>		
Earnings per share					
	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.27</u>	<u>0.22</u>	<u>0.27</u>	<u>0.23</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.22</u>	<u>0.19</u>	<u>0.22</u>	<u>0.20</u>

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	101,065	85,153	103,329	88,345
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Reversal of allowance for doubtful accounts	(8)	(8)	(8)	(8)
Depreciation and amortisation	6,966	6,091	5,337	4,773
Reduction of cost of inventories to net realisable value (reversal)	(396)	164	(396)	164
Gain on sales of available-for-sales investments	(19,724)	(18,704)	(19,724)	(18,704)
Gain on sales of equipment	(472)	(10)	(472)	(10)
Interest expenses	3,311	3,294	3,311	3,294
Interest income	(323)	(169)	(321)	(169)
Unrealised exchange gain	(290)	(930)	(290)	(930)
Unrealised loss from forward exchange contracts	334	-	334	-
Provision for long-term employee benefits	582	347	582	347
Income from operating activities before changes in operating assets and liabilities	91,045	75,228	91,682	77,102
Operating assets (increase) decrease				
Trade accounts receivable	8,873	11,663	8,942	11,663
Inventories	(3,528)	(11,542)	(3,748)	(11,223)
Other current assets	(2,494)	(382)	(2,542)	117
Other non-current assets	51	22	130	82
Operating liabilities increase (decrease)				
Trade and other payables	(731)	14,208	(250)	13,755
Other current liabilities	(872)	(6,519)	(872)	(6,515)
Cash flows from operating activities	92,344	82,678	93,342	84,981
Cash paid for interest expenses	(3,536)	(3,093)	(3,536)	(3,093)
Cash paid for corporate income tax	(25,803)	(21,732)	(25,803)	(21,732)
Net cash flows from operating activities	63,005	57,853	64,003	60,156

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Acquisition of machinery and equipment	(4,263)	(12,233)	(4,259)	(5,796)
Proceed from sales of equipment	2,426	18	2,426	18
Interest income	323	155	321	155
Cash received from sales of available-for-sale investments	72,710	54,517	72,710	54,517
Purchase of available-for-sale investments	(70,946)	(35,324)	(70,946)	(35,324)
Cash paid for investment in subsidiary	-	-	(5,800)	(4,000)
Net cash flows from (used in) investing activities	<u>250</u>	<u>7,133</u>	<u>(5,548)</u>	<u>9,570</u>
Cash flows from financing activities				
Increase (decrease) in trust receipts	23,989	(20,014)	23,989	(20,014)
Repayment of liabilities under hire purchase agreements	(500)	(241)	(500)	(241)
Cash paid for investment in subsidiary company	(5,800)	-	-	-
Dividend paid	(21,188)	-	(21,188)	-
Cash received from non-controlling interests of the subsidiary	-	1,000	-	-
Net cash flows from (used in) financing activities	<u>(3,499)</u>	<u>(19,255)</u>	<u>2,301</u>	<u>(20,255)</u>
Net increase in cash and cash equivalents	59,756	45,731	60,756	49,471
Cash and cash equivalents at beginning of period	<u>212,470</u>	<u>162,017</u>	<u>210,328</u>	<u>154,376</u>
Cash and cash equivalents at end of period	<u>272,226</u>	<u>207,748</u>	<u>271,084</u>	<u>203,847</u>
	-		-	
Supplemental cash flows information:				
Non-cash transactions				
Acquisition of assets through hire purchase agreement	1,440	-	1,440	-

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
				Other components of shareholders' equity						
				Other comprehensive income						
Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on changes in values of available-for-sale investments	Capital deficit from change in shareholding interest in subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2015	302,687	41,650	12,510	13,738	9,803	-	9,803	380,388	4,704	385,092
Increase in non-controlling interest from capital increase in the subsidiary (Note 6)	-	-	-	-	-	-	-	-	1,000	1,000
Profit for the period	-	-	-	67,973	-	-	67,973	67,973	(639)	67,334
Other comprehensive income for the period	-	-	-	-	(8,774)	-	(8,774)	(8,774)	-	(8,774)
Total comprehensive income for the period	-	-	-	67,973	(8,774)	-	(8,774)	59,199	(639)	58,560
Balance as at 30 September 2015	302,687	41,650	12,510	81,711	1,029	-	1,029	439,587	5,065	444,652
Balance as at 1 January 2016	302,687	41,651	17,500	97,888	6,255	-	6,255	465,981	4,853	470,834
Profit for the period	-	-	-	80,447	-	-	80,447	80,447	(231)	80,216
Other comprehensive income for the period	-	-	-	-	5,978	-	5,978	5,978	-	5,978
Total comprehensive income for the period	-	-	-	80,447	5,978	-	5,978	86,425	(231)	86,194
Purchases of investments in subsidiary (Note 6)	-	-	-	-	-	(1,167)	(1,167)	(1,167)	(4,633)	(5,800)
Dividends payment (Note 16)	-	-	-	(21,188)	-	-	-	(21,188)	-	(21,188)
Balance as at 30 September 2016	302,687	41,651	17,500	157,147	12,233	(1,167)	11,066	530,051	(11)	530,040

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Surplus on changes in values of available-for-sale investments	Total other components of shareholders' equity	
Balance as at 1 January 2015	302,687	41,650	12,510	14,925	9,803	9,803	381,575
Profit for the period	-	-	-	70,526	-	-	70,526
Other comprehensive income for the period	-	-	-	-	(8,774)	(8,774)	(8,774)
Total comprehensive income for the period	-	-	-	70,526	(8,774)	(8,774)	61,752
Balance as at 30 September 2015	302,687	41,650	12,510	85,451	1,029	1,029	443,327
Balance as at 1 January 2016	302,687	41,651	17,500	102,474	6,255	6,255	470,567
Profit for the period	-	-	-	82,480	-	-	82,480
Other comprehensive income for the period	-	-	-	-	5,978	5,978	5,978
Total comprehensive income for the period	-	-	-	82,480	5,978	5,978	88,458
Dividends payment (Note 16)	-	-	-	(21,188)	-	-	(21,188)
Balance as at 30 September 2016	302,687	41,651	17,500	163,766	12,233	12,233	537,837

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

Gratitude Infinite Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2016

1. General information

1.1 Corporate general information

Gratitude Infinite Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Union Petrochemical Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the supply and distribution of chemical products. Its registered office is located at No.9/8 Moo 5, Salathammasop sub-district, Taweewattana district, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

The interim consolidated financial statements included the financial statements of Gratitude Infinite Public Company Limited and its subsidiaries. They have been prepared on the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2015. However, during the period, there was a change in the composition of the group, as described in Note 6 to the interim financial statements.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

2. Related party transactions

During the period, the Company has significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transaction with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchases of finished goods	-	-	80	-	Similar to market price
Sales of finished goods	-	-	46	-	Similar to market price
Manufacturing service	-	-	584	-	Similar to market price
<u>Transactions with related companies</u>					
Purchases of finished goods	1,277	2,726	1,277	2,726	Similar to market price
Warehouse rental expenses	120	120	120	120	Contract price
Transportation expenses	-	9	-	9	Contract price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transaction with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchases of finished goods	-	-	707	11	Similar to market price
Sales of finished goods	-	-	53	-	Similar to market price
Others income	-	-	58	-	Similar to market price
Manufacturing service	-	-	942	-	Similar to market price
<u>Transactions with related companies</u>					
Purchases of finished goods	10,534	6,847	10,534	6,847	Similar to market price
Purchases of assets	154	-	154	-	Similar to market price
Warehouse rental expenses	360	360	360	360	Contract price
Transportation expenses	33	96	33	96	Contract price

As at 30 September 2016 and 31 December 2015, the significant balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)	(Audited)	
<u>Trade payables - related parties</u> (Note 10)				
Subsidiary				
Lavish Laboratory Company Limited	-	-	622	87
Parent company				
Union Petrochemical Public Company Limited	2,835	1,998	2,835	1,998
Related company				
Lion Asia (Thailand) Company Limited	-	1,760	-	1,760
Total trade payables - related parties	2,835	3,758	3,457	3,845

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Other payables - related parties</u> (Note 10)				
Parent company				
Union Petrochemical Public Company Limited	40	40	40	40
Directors	56	543	56	543
Total other payables - related parties	96	583	96	583

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	2,562	2,058	2,377	1,869
Post-employment benefits	109	78	109	78
Total	2,671	2,136	2,486	1,947

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	7,132	6,113	6,576	5,553
Post-employment benefits	327	235	327	235
Total	7,459	6,348	6,903	5,788

(Unaudited but reviewed)

3. Trade receivables

The outstanding balances of trade receivables as at 30 September 2016 and 31 December 2015 are aged, based on due date, as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Not yet due	-	-	9	-
Past due				
3 - 6 months	-	-	34	-
Total trade receivables - related parties	-	-	43	-
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due	117,054	134,145	117,046	134,145
Past due				
Up to 3 months	66,685	58,639	66,581	58,639
3 - 6 months	427	247	427	247
Over 12 months	170	178	170	178
Total	184,336	193,209	184,224	193,209
Less: Allowance for doubtful accounts	(170)	(178)	(170)	(178)
Total trade accounts receivable - unrelated parties, net	184,166	193,031	184,054	193,031
Total trade receivable - net	184,166	193,031	184,097	193,031

4. Reduction of cost of inventories to net realisable value

Movements in the reduction of cost of inventories to net realisable value account during the nine-month period ended 30 September 2016 are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2016	988		988	
Less: Decrease during the period	(396)		(396)	
Balance as at 30 September 2016	<u>592</u>		<u>592</u>	

5. Available-for-sale investments

As at 30 September 2016 and 31 December 2015, the balance of investment in available-for-sale investments are as follows:

(Unit: Thousand Baht)

Type of investments	Consolidated/Separate financial statements					
	Cost		Unrealised gain on changes in value of investment		Carrying amount	
	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
Available-for-sale securities	83,405	65,445	15,292	7,819	98,697	73,264
Total	83,405	65,445	15,292	7,819	98,697	73,264

Available-for-sale investment are stated at fair value using inputs of Level 1 which is use of quoted market prices in an observable active market for such assets or liabilities. Such fair value of Available-for-sale investment has been determined by using the last bid price of the last working day of the period from the Stock Exchange of Thailand.

During the nine-month periods ended 30 September 2016, the movement of available-for-sale investments is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements
Book value as at 1 January 2016 - net	73,264
Acquisition during the period	70,946
Disposal during the period	(52,986)
Unrealised gain on changes in value of available-for-sale securities	7,473
Book value as at 30 September 2016 - net	98,697

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company has realised gain on available-for-sale investments and unrealised gain (loss) on changes in value of available-for-sale investments as follow:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Realised gain on available-for-sale investments	9,531	6,633	19,724	18,704
Unrealised gain (loss) on changes in value of available-for-sale investments	(592)	(11,561)	7,473	(10,968)

6. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Carrying amounts based on cost method	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
			(percent)	(percent)		(Audited)
Lavish Laboratory Company Limited	30,000	30,000	99.99	79.99	29,799	23,999
Ligit Company Limited	5,000	-	69.99	-	3,500	-
Less: Share subscription payable					(3,500)	-
					-	-
Total investment in subsidiaries					29,799	23,999

Lavish Laboratory Company Limited

On 10 May 2016, the Company acquired 60,000 ordinary shares of Lavish Laboratory Company Limited, representing a 20% interest, from its existing shareholder at a price of Baht 5.8 million. As a result, the Company's shareholding in this subsidiary increased from 79.99% to 99.99%.

The purchase transaction of investment in the subsidiary was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Purchase price	5,800
Less: Non-controlling interests of subsidiary adjusted	(4,633)
Capital deficit from change in shareholding interest in subsidiary	1,167

(Unaudited but reviewed)

On 9 November 2016, the Company's Board of directors' meeting had approved the additional investment in subsidiary, Lavish Laboratory Company Limited amounting to Baht 3 million to maintain the existing shareholding since the subsidiary increased its registered capital from Baht 30 million (300,000 ordinary shares of Baht 100 each) to Baht 33 million (330,000 ordinary shares of Baht 100 each).

Ligit Company Limited

In March 2016, the Company invested in ordinary shares of Ligit Company Limited, taking up holdings of 69.99% of its registered share capital. Ligit Company Limited was registered with Ministry of Commerce on 1 March 2016, with a registered, issued and fully paid share capital of Baht 5 million (50,000 ordinary shares of Baht 100 each).

As at 30 September 2016, the Company and non-controlling interests of Ligit Company Limited have not paid in its share capital. The subscription payable have been presented as deductions from investment in subsidiaries and non-controlling interests of the subsidiaries.

On 20 October 2016, the Company acquired 15,000 ordinary shares of Ligit Company Limited, representing a 30% interest, from its existing shareholder at a price of Baht 1.5 million. As a result, the Company's shareholding in this subsidiary increased from 69.99% to 99.99%.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2016	119,075	102,142
Acquisitions during period - at cost	5,703	5,699
Depreciation for the period	(6,646)	(5,337)
Disposal during the period - net book value of disposal date	(1,954)	(1,954)
Net book value as at 30 September 2016	<u>116,178</u>	<u>100,550</u>

As at 30 September 2016, the Company has vehicle under hire purchase agreements with net book value amounting to approximately Baht 6.8 million (31 December 2015: approximately Baht 4.4 million).

8. Intangible assets

The intangible assets of a subsidiary company are the operation licenses. Movement of the intangible assets account during the nine-month period ended 30 September 2016 is summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2016	3,682
Amortisation for the period	(320)
Net book value as at 30 September 2016	<u>3,362</u>

9. Trust receipts

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Interest rate		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
		(Audited)		(Audited)	
Trust receipts	Market rate plus / minus stipulated margin	Market rate plus / minus stipulated margin			
		206,428	182,653	206,428	182,653
Total		<u>206,428</u>	<u>182,653</u>	<u>206,428</u>	<u>182,653</u>

As at 30 September 2016, the non-secured short-term credit facilities of the Company which have not yet been drawn down amounted to approximately Baht 959 million (31 December 2015: Baht 935 million).

10. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
		(Audited)		(Audited)	
Trade payables - related parties (Note 2)		2,835	3,758	3,457	3,845
Trade payables - unrelated parties		43,051	40,918	42,997	40,898
Other payables - related parties (Note 2)		96	583	96	583
Other payables - unrelated parties		8,488	2,057	8,373	1,974
Accrued expenses		615	8,800	515	8,688
Total trade and other payables		<u>55,085</u>	<u>56,116</u>	<u>55,438</u>	<u>55,988</u>

(Unaudited but reviewed)

11. Provision for long-term employee benefits

Movements of the provision for long-term employee benefits account during the nine-month period ended 30 September 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	4,231	4,231
Add: Addition during the period	582	582
Balance as at 30 September 2016	<u>4,813</u>	<u>4,813</u>

12. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	6,854	5,947	6,854	5,947
Deferred tax:				
Relating to origination and reversal of temporary differences	(12)	39	(12)	39
Income tax expense reported in the statements of comprehensive income	<u>6,842</u>	<u>5,986</u>	<u>6,842</u>	<u>5,986</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	20,884	17,919	20,884	17,919
Deferred tax:				
Relating to origination and reversal of temporary differences	(35)	(100)	(35)	(100)
Income tax expense reported in the statements of comprehensive income	<u>20,849</u>	<u>17,819</u>	<u>20,849</u>	<u>17,819</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month period ended 30 September 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to loss on change in value of available-for-sale investments	(118)	(2,312)	(118)	(2,312)
Total	<u>(118)</u>	<u>(2,312)</u>	<u>(118)</u>	<u>(2,312)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to (loss) gain on change in value of available-for-sale investments	1,495	(2,194)	1,495	(2,194)
Total	<u>1,495</u>	<u>(2,194)</u>	<u>1,495</u>	<u>(2,194)</u>

13. Warrants

The Company issued and offered 151,341,563 of transferable warrants with registered holders to the existing shareholders free of charge, in a ratio of 1 warrant for every 2 existing shares. These warrants can be exercised for a period of 3 years from the issue date (30 April 2015) with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 2 per share. Warrant holders can exercise the warrants on the last working day of October and April in each calendar year until the maturity date, with the first exercise date on 30 October 2015 and the last exercise date on 29 April 2018. During the current period, no warrants have been exercised.

14. Earnings per share

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

(Unaudited but reviewed)

Consolidated financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	<u>80,447</u>	<u>67,973</u>	302,687	302,687	<u>0.27</u>	<u>0.22</u>
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			<u>66,167</u>	<u>50,208</u>		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>80,447</u>	<u>67,973</u>	<u>368,854</u>	<u>352,895</u>	<u>0.22</u>	<u>0.19</u>
Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	<u>82,480</u>	<u>70,526</u>	302,687	302,687	<u>0.27</u>	<u>0.23</u>
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			<u>66,167</u>	<u>50,208</u>		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>82,480</u>	<u>70,526</u>	<u>368,854</u>	<u>352,895</u>	<u>0.22</u>	<u>0.20</u>

15. Segment information

The Company is principally engaged in the supply and distribution of chemical products. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

16. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 19 April 2016	21.19	0.07

17. Commitments and contingent liabilities**17.1 Operating lease commitments**

The Company has entered into several lease agreements in respect of the lease of warehouse and service agreements. The terms of the agreements are between 1 and 3 years. As at 30 September 2016, future minimum lease payments required under these operating leases contracts and service agreements were as follows.

	(Unit: Million Baht)	
	Consolidated/ Separate financial statements	
	<u>30 September 2016</u>	<u>31 December 2015</u>
Payable:		
In up to 1 year	3.5	2.0
In over 1 year and up to 3 years	0.1	1.0

17.2 Bank guarantees

As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2015: Baht 11 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These letters of guarantee are to guarantee payments due to creditors.

18. Foreign currency risk

As at 30 September 2016, the balances of financial liabilities denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	<u>Financial liabilities</u> (Million)	<u>Average exchange rate</u> as at 30 September 2016 (Baht per 1 foreign currency unit)
US dollar	0.7	34.6999
Euro	0.1	38.8895

(Unaudited but reviewed)

As at 30 September 2016, the outstanding of forward exchange contracts of the Company are summarised below.

Foreign currency	Bought amount (Million)	Contractual exchange rate	Contractual maturity date
		Bought (Baht per 1 foreign currency unit)	
US dollar	0.7	34.6900 - 35.8250	October 2016 - March 2017

19. Fair value of financial instruments

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 September 2016, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated/Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments (Note 5)	98.7	-	-	98.7
Liabilities disclosed at fair value				
Foreign currency forward contracts	-	0.3	-	0.3

During the current period, there were no transfers within the fair value hierarchy.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2016.