

Gratitude Infinite Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2016

## **Independent Auditor's Report**

To the Shareholders of Gratitude Infinite Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Gratitude Infinite Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Gratitude Infinite Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gratitude Infinite Public Company Limited and its subsidiaries and of Gratitude Infinite Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Revenue from sales is one of the Group's significant accounts because it directly impacts on the Group's annual profit or loss. During 2016, the Group recognised revenue from sales of Baht 752 million, representing 96 percent of the Group's total revenue. I therefore focused on the amount and timing of the Group's revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle. This involved making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also examined supporting documents for actual sales transactions, on a sampling basis, occurring during the year and near the end of the accounting period to assess whether the revenue recognition is in accordance with the Group's accounting policy on revenue recognition, reviewed credit notes that the Group issued to their customers after the period-end, and performed analytical procedures to detect possible irregularities in sales transactions throughout the period.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Chonlaros Suntiasvaraporn.

Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

EY Office Limited  
Bangkok: 21 February 2017

**Gratitude Infinite Public Company Limited and its subsidiaries**

**Statement of financial position**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	299,439,610	212,470,064	289,575,519	210,327,661
Trade receivables	8	179,058,451	193,030,701	179,050,310	193,030,701
Inventories	9	128,480,463	125,856,815	128,683,070	125,462,294
Other current assets		6,407,538	1,676,167	5,278,823	505,873
<b>Total current assets</b>		<b>613,386,062</b>	<b>533,033,747</b>	<b>602,587,722</b>	<b>529,326,529</b>
<b>Non-current assets</b>					
Available-for-sale investments	10	113,896,956	73,264,000	113,896,956	73,264,000
Investment in subsidiary companies	11	-	-	37,799,500	23,999,900
Property, plant and equipment	12	114,218,688	119,074,856	98,936,209	102,141,998
Intangible assets	13	3,254,250	3,682,440	-	-
Other non-current assets		328,509	458,971	239,510	377,421
<b>Total non-current assets</b>		<b>231,698,403</b>	<b>196,480,267</b>	<b>250,872,175</b>	<b>199,783,319</b>
<b>Total assets</b>		<b>845,084,465</b>	<b>729,514,014</b>	<b>853,459,897</b>	<b>729,109,848</b>

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

**Gratitude Infinite Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trust receipts	14	194,055,512	182,653,385	194,055,512	182,653,385
Trade and other payables	15	57,169,999	56,115,650	58,373,059	55,987,867
Current portion of liabilities under hire purchase agreements	16	772,657	544,090	772,657	544,090
Income tax payable		13,150,396	11,773,273	13,150,396	11,773,273
Other current liabilities		8,285,869	1,914,660	8,132,723	1,904,677
<b>Total current liabilities</b>		<b>273,434,433</b>	<b>253,001,058</b>	<b>274,484,347</b>	<b>252,863,292</b>
<b>Non-current liabilities</b>					
Liabilities under hire purchase agreement - net					
of current portion	16	1,455,398	964,768	1,455,398	964,768
Provision for long-term employee benefits	17	7,484,634	4,230,730	7,484,634	4,230,730
Deferred tax liabilities	20	3,007,197	484,214	3,007,197	484,214
<b>Total non-current liabilities</b>		<b>11,947,229</b>	<b>5,679,712</b>	<b>11,947,229</b>	<b>5,679,712</b>
<b>Total liabilities</b>		<b>285,381,662</b>	<b>258,680,770</b>	<b>286,431,576</b>	<b>258,543,004</b>

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



**Gratitude Infinite Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>Shareholders' equity</b>					
Share capital					
Registered					
454,029,949 ordinary shares of Baht 1 each		454,029,949	454,029,949	454,029,949	454,029,949
Issued and fully paid up					
302,686,717 ordinary shares of Baht 1 each		302,686,717	302,686,717	302,686,717	302,686,717
Share premium		41,650,577	41,650,577	41,650,577	41,650,577
Retained earnings					
Appropriated - statutory reserve	18	23,000,000	17,500,000	23,000,000	17,500,000
Unappropriated		174,958,480	97,887,684	181,119,496	102,474,481
Other components of shareholders' equity		17,407,029	6,255,069	18,571,531	6,255,069
Equity attributable to owners of the Company		559,702,803	465,980,047	567,028,321	470,566,844
Non-controlling interests of the subsidiary		-	4,853,197	-	-
<b>Total shareholders' equity</b>		<b>559,702,803</b>	<b>470,833,244</b>	<b>567,028,321</b>	<b>470,566,844</b>
<b>Total liabilities and shareholders' equity</b>		<b>845,084,465</b>	<b>729,514,014</b>	<b>853,459,897</b>	<b>729,109,848</b>
		-	-	-	-

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

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Directors  
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**Gratitude Infinite Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		752,465,981	721,397,261	752,352,197	721,397,261
Other income					
Gains on exchange		-	600,492	-	600,492
Gains from sales of available-for-sale investments		25,575,644	24,554,117	25,575,644	24,554,117
Others		6,518,370	6,696,188	6,490,237	6,621,329
<b>Total revenues</b>		<b>784,559,995</b>	<b>753,248,058</b>	<b>784,418,078</b>	<b>753,173,199</b>
<b>Expenses</b>					
Cost of sales		582,280,511	577,633,815	583,456,014	576,203,030
Reduction (reversal) of cost of inventories to net realisable value		(461,242)	16,696	(461,242)	16,696
		581,819,269	577,650,511	582,994,772	576,219,726
Selling expenses		26,684,805	22,738,018	26,580,813	22,174,067
Administrative expenses		36,924,313	35,424,013	33,918,967	33,094,386
Other expense					
Exchange losses		2,033,405	-	2,033,405	-
Others		21,388	-	21,388	-
<b>Total expenses</b>		<b>647,483,180</b>	<b>635,812,542</b>	<b>645,549,345</b>	<b>631,488,179</b>
<b>Profit before finance cost and income tax expense</b>		<b>137,076,815</b>	<b>117,435,516</b>	<b>138,868,733</b>	<b>121,685,020</b>
Finance cost		(4,433,212)	(4,481,255)	(4,433,212)	(4,481,255)
<b>Profit before income tax expense</b>		<b>132,643,603</b>	<b>112,954,261</b>	<b>134,435,521</b>	<b>117,203,765</b>
Income tax expense	20	(27,120,245)	(23,653,987)	(27,120,245)	(23,653,987)
<b>Profit for the year</b>		<b>105,523,358</b>	<b>89,300,274</b>	<b>107,315,276</b>	<b>93,549,778</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on revaluation of available-for-sale investments		15,395,577	(4,435,681)	15,395,577	(4,435,681)
Less: Income tax effect	20	(3,079,115)	887,136	(3,079,115)	887,136
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>		<u>12,316,462</u>	<u>(3,548,545)</u>	<u>12,316,462</u>	<u>(3,548,545)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(2,478,000)	(1,262,929)	(2,478,000)	(1,262,929)
Less: Income tax effect	20	495,600	252,586	495,600	252,586
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		<u>(1,982,400)</u>	<u>(1,010,343)</u>	<u>(1,982,400)</u>	<u>(1,010,343)</u>
<b>Other comprehensive income for the year</b>		<b>115,857,420</b>	<b>84,741,386</b>	<b>117,649,338</b>	<b>88,990,890</b>

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

**Gratitude Infinite Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit attributable to:</b>					
Equity holders of the Company		105,741,057	90,150,189	<u>107,315,276</u>	<u>93,549,778</u>
Non-controlling interests of the subsidiaries		<u>(217,699)</u>	<u>(849,915)</u>		
		<u>105,523,358</u>	<u>89,300,274</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		116,075,119	85,591,301	<u>117,649,338</u>	<u>88,990,890</u>
Non-controlling interests of the subsidiaries		<u>(217,699)</u>	<u>(849,915)</u>		
		<u>115,857,420</u>	<u>84,741,386</u>		
<b>Earnings per share</b>					
22					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.35</u>	<u>0.30</u>	<u>0.35</u>	<u>0.31</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.29</u>	<u>0.24</u>	<u>0.29</u>	<u>0.25</u>

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

**Gratitude Infinite Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>				
Profit before tax	132,643,603	112,954,261	134,435,521	117,203,765
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Reversal of allowance for doubtful accounts	(12,000)	(15,000)	(12,000)	(15,000)
Depreciation and amortisation	9,441,282	8,264,022	7,262,785	6,412,349
Reduction of cost of inventories to net realisable value (reversal)	(461,242)	16,696	(461,242)	16,696
Gain on sales of available-for-sale investments	(25,575,644)	(24,554,117)	(25,575,644)	(24,554,117)
Gain on sales of equipment	(470,268)	(12,020)	(470,268)	(12,020)
Interest expenses	4,433,212	4,481,255	4,433,212	4,481,255
Interest income	(1,868,611)	(387,561)	(1,862,975)	(380,553)
Unrealised (gain) loss on exchange	238,247	(2,781,918)	238,247	(2,781,918)
Unrealised loss from forward exchange contracts	21,388	-	21,388	-
Provision for long-term employee benefits	775,904	462,452	775,904	462,452
Income from operating activities before changes in operating assets and liabilities	119,165,871	98,428,070	118,784,928	100,832,909
Operating assets (increase) decrease				
Trade accounts receivable	13,537,262	39,207,507	13,545,402	39,207,507
Inventories	(2,162,405)	3,964,398	(2,759,534)	4,283,784
Other current assets	(4,733,311)	1,750,910	(4,774,889)	2,321,682
Other non-current assets	130,461	77,330	137,912	94,880
Operating liabilities increase (decrease)				
Trade and other payables	1,147,396	(16,678,333)	2,478,238	(16,522,287)
Other current liabilities	6,349,821	(5,566,390)	6,206,658	(5,560,006)
Cash flows from operating activities	133,435,095	121,183,492	133,618,715	124,658,469
Cash paid for interest expenses	(4,537,396)	(4,170,224)	(4,537,396)	(4,170,224)
Cash paid for corporate income tax	(25,803,655)	(21,732,219)	(25,803,655)	(21,732,219)
<b>Net cash flows from operating activities</b>	<b>103,094,044</b>	<b>95,281,049</b>	<b>103,277,664</b>	<b>98,756,026</b>

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

**Gratitude Infinite Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Acquisition of machinery and equipment	(4,672,357)	(17,904,447)	(4,572,429)	(10,873,619)
Proceed from sales of equipment	2,425,701	19,544	2,425,701	19,544
Interest income	1,870,550	385,641	1,864,914	378,633
Cash received from sales of available-for-sale investments	104,468,698	68,939,930	104,468,698	68,939,930
Purchase of available-for-sale investments	(104,130,433)	(66,342,013)	(104,130,433)	(66,342,013)
Cash paid for investment in subsidiary	-	-	(13,799,600)	(4,000,000)
<b>Net cash flows used in investing activities</b>	<b>(37,841)</b>	<b>(14,901,345)</b>	<b>(13,743,149)</b>	<b>(11,877,525)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in trust receipts	11,622,006	(30,605,831)	11,622,006	(30,605,831)
Repayment of liabilities under hire purchase agreement	(720,803)	(321,384)	(720,803)	(321,384)
Proceed from exercised warrants	-	168	-	168
Cash paid for investment in subsidiary company	(5,800,000)	-	-	-
Dividend paid	(21,187,860)	-	(21,187,860)	-
Cash received from non-controlling interests of the subsidiary	-	1,000,000	-	-
<b>Net cash flows used in financing activities</b>	<b>(16,086,657)</b>	<b>(29,927,047)</b>	<b>(10,286,657)</b>	<b>(30,927,047)</b>
<b>Net increase in cash and cash equivalents</b>	<b>86,969,546</b>	<b>50,452,657</b>	<b>79,247,858</b>	<b>55,951,454</b>
Cash and cash equivalents at beginning of year	212,470,064	162,017,407	210,327,661	154,376,207
<b>Cash and cash equivalents at end of year</b>	<b>299,439,610</b>	<b>212,470,064</b>	<b>289,575,519</b>	<b>210,327,661</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Acquisition of assets through hire purchase agreement	1,440,000	1,000,000	1,440,000	1,000,000

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

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

<b>Consolidated financial statements</b>										
Equity attributable to owners of the Company										
	Retained earnings				Other components of shareholders' equity					
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve		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
			Unappropriated	-						
<b>Balance as at 1 January 2015</b>	302,686,633	41,650,493	12,510,000	13,737,838	9,803,614	-	9,803,614	380,388,578	4,703,112	385,091,690
Profit for the year	-	-	-	90,150,189	-	-	-	90,150,189	(849,915)	89,300,274
Other comprehensive income for the year	-	-	-	(1,010,343)	(3,548,545)	-	(3,548,545)	(4,558,888)	-	(4,558,888)
Total comprehensive income for the year	-	-	-	89,139,846	(3,548,545)	-	(3,548,545)	85,591,301	(849,915)	84,741,386
Increase in equity attributable to non-controlling interest										
of the subsidiary from capital increase in the subsidiary (Note 11)	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Ordinary shares issuance from exercised warrant (Note 21)	84	84	-	-	-	-	-	168	-	168
Statutory reserve (Note 18)	-	-	4,990,000	(4,990,000)	-	-	-	-	-	-
<b>Balance as at 31 Decemebr 2015</b>	<b>302,686,717</b>	<b>41,650,577</b>	<b>17,500,000</b>	<b>97,887,684</b>	<b>6,255,069</b>	<b>-</b>	<b>6,255,069</b>	<b>465,980,047</b>	<b>4,853,197</b>	<b>470,833,244</b>
<b>Balance as at 1 January 2016</b>	302,686,717	41,650,577	17,500,000	97,887,684	6,255,069	-	6,255,069	465,980,047	4,853,197	470,833,244
Profit for the year	-	-	-	105,741,057	-	-	-	105,741,057	(217,699)	105,523,358
Other comprehensive income for the year	-	-	-	(1,982,400)	12,316,462	-	12,316,462	10,334,062	-	10,334,062
Total comprehensive income for the year	-	-	-	103,758,657	12,316,462	-	12,316,462	116,075,119	(217,699)	115,857,420
Purchases of investment in subsidiary (Note 11)	-	-	-	-	-	(1,164,502)	(1,164,502)	(1,164,502)	(4,635,498)	(5,800,000)
Divicenc payment (Note 25)	-	-	-	(21,187,861)	-	-	-	(21,187,861)	-	(21,187,861)
Statutory reserve (Note 18)	-	-	5,500,000	(5,500,000)	-	-	-	-	-	-
<b>Balance as at 31 Decemebr 2016</b>	<b>302,686,717</b>	<b>41,650,577</b>	<b>23,000,000</b>	<b>174,958,480</b>	<b>18,571,531</b>	<b>(1,164,502)</b>	<b>17,407,029</b>	<b>559,702,803</b>	<b>-</b>	<b>559,702,803</b>

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

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity					
					Other comprehensive income					
					Share premium	Appropriated -		Surplus on changes in values of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
						statutory reserve	Unappropriated			
<b>Balance as at 1 January 2015</b>	302,686,633	41,650,493	12,510,000	14,925,046	9,803,614	9,803,614	381,575,786			
Profit for the year	-	-	-	93,549,778	-	-	93,549,778			
Other comprehensive income for the year	-	-	-	(1,010,343)	(3,548,545)	(3,548,545)	(4,558,888)			
Total comprehensive income for the year	-	-	-	92,539,435	(3,548,545)	(3,548,545)	88,990,890			
Ordinary shares issuance from exercised warrant (Note 21)	84	84	-	-	-	-	168			
Statutory reserve (Note 18)	-	-	4,990,000	(4,990,000)	-	-	-			
<b>Balance as at 31 December 2015</b>	<b>302,686,717</b>	<b>41,650,577</b>	<b>17,500,000</b>	<b>102,474,481</b>	<b>6,255,069</b>	<b>6,255,069</b>	<b>470,566,844</b>			
<b>Balance as at 1 January 2016</b>	302,686,717	41,650,577	17,500,000	102,474,481	6,255,069	6,255,069	470,566,844			
Profit for the year	-	-	-	107,315,276	-	-	107,315,276			
Other comprehensive income for the year	-	-	-	(1,982,400)	12,316,462	12,316,462	10,334,062			
Total comprehensive income for the year	-	-	-	105,332,876	12,316,462	12,316,462	117,649,338			
Dividends payment (Note 25)	-	-	-	(21,187,861)	-	-	(21,187,861)			
Statutory reserve (Note 18)	-	-	5,500,000	(5,500,000)	-	-	-			
<b>Balance as at 31 December 2016</b>	<b>302,686,717</b>	<b>41,650,577</b>	<b>23,000,000</b>	<b>181,119,496</b>	<b>18,571,531</b>	<b>18,571,531</b>	<b>567,028,321</b>			

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

## Gratitude Infinite Public Company Limited and its subsidiaries

### Notes to financial statements

For the year ended 31 December 2016

#### 1. 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 was 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, Salathammassop, Taweewattana district, Bangkok.

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Gratitude Infinite Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2016 Percent	2015 Percent
Lavish Laboratory Company Limited	Production and distribution of supplementary	Thailand	99.99	79.99
Ligit Company Limited*	Selling oil-refinery equipment and power plant equipment	Thailand	99.99	-

\*Established on 1 March 2016



- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Company and subsidiaries have adopted the revised (revised 2015) 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 and its subsidiaries' financial statements.

#### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

### **TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Trade and other receivables**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### 4.4 Inventories

Finished goods are valued at the lower of cost (first-in, first-out basis) and net realisable value. Such cost includes all production costs and attributable factory overheads.

Raw materials and packing materials are valued at the lower of cost (first-in, first-out basis) and net realisable value and are charged to production costs whenever consumed.

#### 4.5 Investments

- a) Investments in money market fund, which are classified as cash and cash equivalents, are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in subsidiaries are accounted for in the separate financial statements using the cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	-	20	years
Machinery and equipment	-	3 - 10	years
Furniture and office equipment	-	3 - 5	years
Motor vehicles	-	5	years

No depreciation is provided on land and assets under installation.

#### **4.7 Intangible assets**

The intangible assets are carried at cost less accumulated amortisation and impairment losses (if any).

The intangible assets are the operation licenses. Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Operation licenses	10 years

#### **4.8 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.9 Long-term leases**

Leases of motor vehicle which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased motor vehicle and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The motor vehicle acquired under finance leases is depreciated over the useful life of the motor vehicle.

Leases of building and motor vehicles which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.10 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.12 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company has obligations in respect of the severance payments. It must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.13 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Use of accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

## 6. Related party transactions

During the years, the Company and its subsidiaries had 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)				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<b><u>Transaction with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Purchases of finished goods	-	-	707	19	Mutual agreed
Manufacturing service	-	-	3,094	73	Mutual agreed
Sales of finished goods	-	-	87	-	Similar to market price
Other revenue	-	-	58	-	Similar to market price
<b><u>Transactions with parent company</u></b>					
Purchases of finished goods	10,425	5,921	10,425	5,921	Similar to market price
Rental expenses	480	480	480	480	Contract price
Transportation expenses	33	96	33	96	Contract price
<b><u>Transactions with related companies</u></b>					
Purchases of finished goods	1,428	3,624	1,428	3,624	Mutual agreed
Purchases of fixed assets	154	-	154	-	Mutual agreed

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b><u>Trade accounts payable - related parties</u></b> (Note 15)				
Subsidiary				
Lavish Laboratory Company Limited	-	-	1,608	87
Parent company				
Union Petrochemical Public Company Limited	1,875	1,998	1,875	1,998
Related company				
Lion Asia (Thailand) Company Limited	-	1,760	-	1,760
<b>Total trade payables - related parties</b>	<u>1,875</u>	<u>3,758</u>	<u>3,483</u>	<u>3,845</u>



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Other payables - related parties</u> (Note 15)				
Parent company				
Union Petrochemical Public Company Limited	40	40	40	40
Directors	120	543	120	543
<b>Total other payables - related parties</b>	<b>160</b>	<b>583</b>	<b>160</b>	<b>583</b>

#### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	11,545	10,707	10,804	9,959
Post-employment benefits	338	314	338	314
<b>Total</b>	<b>11,883</b>	<b>11,021</b>	<b>11,142</b>	<b>10,273</b>

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	32	32	32	26
Bank deposits	299,408	49,037	289,544	46,901
Money market fund - at cost	-	162,500	-	162,500
Add: Unrealised gain on changes in value of investment	-	901	-	901
Money market fund - fair value	-	163,401	-	163,401
<b>Total</b>	<b>299,440</b>	<b>212,470</b>	<b>289,576</b>	<b>210,328</b>

As at 31 December 2016, bank deposits in saving accounts carried interests between 0.375 and 1.380 percent per annum (2015: between 0.375 and 1.500 percent per annum).

## 8. Trade receivables

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivable - related parties</u>				
Not yet due	-	-	8	-
Past due				
Up to 3 months	-	-	5	-
Total trade receivables - related parties	-	-	13	-
<u>Trade receivable - unrelated parties</u>				
Not yet due	117,115	134,145	117,112	134,145
Past due				
Up to 3 months	61,943	58,639	61,925	58,639
3 - 6 months	-	247	-	247
6 - 12 months	-	-	-	-
Over 12 months	166	178	166	178
Total	179,224	193,209	179,203	193,209
Less: Allowance for doubtful accounts	(166)	(178)	(166)	(178)
Total trade receivable - unrelated parties, net	179,058	193,031	179,037	193,031
Total trade receivables - net	179,058	193,031	179,050	193,031

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost of inventories to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Raw materials	81	66	-	-	81	66
Finished goods	108,914	108,965	(527)	(989)	108,387	107,976
Goods in transit	19,273	17,489	-	-	19,273	17,489
Packing materials	437	221	-	-	437	221
Work in progress	-	4	-	-	-	4
Supplies	302	101	-	-	302	101
<b>Total</b>	<b>129,007</b>	<b>126,846</b>	<b>(527)</b>	<b>(989)</b>	<b>128,480</b>	<b>125,857</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost of inventories to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	109,500	108,741	(527)	(989)	108,973	107,752
Goods in transit	19,273	17,489	-	-	19,273	17,489
Packing materials	437	221	-	-	437	221
<b>Total</b>	<b>129,210</b>	<b>126,451</b>	<b>(527)</b>	<b>(989)</b>	<b>128,683</b>	<b>125,462</b>

During the current year, there is no reduction of cost of inventories (2015: Baht 0.73 million). In addition, the Company reversed the write-down of cost of inventories by Baht 0.46 million (2015: Baht 0.71 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Available-for-sale investments

(Unit: Thousand Baht)

Type of investments	Consolidated/Separate financial statements					
	Cost		Unrealised gain on changes in value of investment		Carrying amount	
	2016	2015	2016	2015	2016	2015
Available-for-sale securities	90,683	65,445	23,214	7,819	113,897	73,264
<b>Total</b>	<b>90,683</b>	<b>65,445</b>	<b>23,214</b>	<b>7,819</b>	<b>113,897</b>	<b>73,264</b>

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 year from the Stock Exchange of Thailand.

During the year ended 31 December 2016 and 2015, the movement of available-for-sale investments is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	<u>2016</u>	<u>2015</u>
Book value as at 1 January - net	73,264	55,743
Acquisition during the period	104,130	66,342
Disposal during the period	(78,893)	(44,385)
Unrealised gain on changes in value of available-for-sale securities	15,396	(4,436)
Book value as at 31 December - net	<u>113,897</u>	<u>73,264</u>

During the year ended 31 December 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 year ended 31 December	
	<u>2016</u>	<u>2015</u>
Realised gain on available-for-sale investments	25,576	24,554
Unrealised gain (loss) on changes in value of available-for-sale investments	15,396	(4,436)

## 11. 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u> (percent)	<u>2015</u> (percent)	<u>2016</u>	<u>2015</u>
Lavish Laboratory Company Limited	33,000	30,000	99.99	79.99	32,800	23,999
Ligit Company Limited	5,000	-	99.99	-	4,999	-
Total investment in subsidiaries					<u>37,799</u>	<u>23,999</u>

### **Lavish Laboratory Company Limited**

During second quarter of 2015, the Company made the additional investment in subsidiary, Lavish Laboratory Company Limited amounting to Baht 4 million to maintain the existing shareholding since the subsidiary increased its registered capital from Baht 25 million (250,000 ordinary shares of Baht 100 each) to Baht 30 million (300,000 ordinary shares of Baht 100 each).

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	(4,635)
Capital deficit from change in shareholding interest in subsidiary	<u>1,165</u>

On 9 November 2016, the Company's Board of directors' meeting 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).

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%.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost:</b>							
1 January 2015	49,043	30,983	34,297	5,357	14,865	12,889	147,434
Additions	-	-	6,422	2,621	3,350	6,511	18,904
Disposals	-	-	(497)	(45)	-	-	(542)
Transfer in (out)	-	19,205	-	136	-	(19,341)	-
31 December 2015	49,043	50,188	40,222	8,069	18,215	59	165,796
Additions	-	-	656	1,109	4,347	-	6,112
Disposals	-	-	(241)	(53)	(6,160)	-	(6,454)
Transfer in (out)	-	-	59	-	-	(59)	-
31 December 2016	49,043	50,188	40,696	9,125	16,402	-	165,454
<b>Accumulated depreciation:</b>							
1 January 2015	-	8,345	20,855	4,576	5,643	-	39,419
Depreciation for the year	-	1,942	3,297	425	2,171	-	7,835
Depreciation on disposals	-	-	(490)	(44)	-	-	(534)
31 December 2015	-	10,287	23,662	4,957	7,814	-	46,720
Depreciation for the year	-	2,754	3,227	1,011	2,021	-	9,013
Depreciation on disposals	-	-	(235)	(51)	(4,213)	-	(4,499)
31 December 2016	-	13,041	26,654	5,917	5,622	-	51,234
<b>Allowance for impairment loss:</b>							
31 December 2015	1	-	-	-	-	-	1
31 December 2016	1	-	-	-	-	-	1
<b>Net book value:</b>							
31 December 2015	49,042	39,901	16,560	3,112	10,401	59	119,075
31 December 2016	49,042	37,147	14,042	3,208	10,780	-	114,219
<b>Depreciation for the year</b>							
2015 (Baht 4.5 million included in cost of sales, and the balance in selling and administrative expenses)							7,835
2016 (Baht 4.1 million included in cost of sales, and the balance in selling and administrative expenses)							9,013

(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
1 January 2015	47,043	25,003	34,117	5,351	14,865	9,500	135,879
Additions	-	-	49	2,519	3,350	5,955	11,873
Disposals	-	-	(497)	(44)	-	-	(541)
Transfer in (out)	-	15,319	-	136	-	(15,455)	-
31 December 2015	47,043	40,322	33,669	7,962	18,215	-	147,211
Additions	-	-	560	1,105	4,347	-	6,012
Disposals	-	-	(241)	(53)	(6,160)	-	(6,454)
Transfer in (out)	-	-	-	-	-	-	-
31 December 2016	47,043	40,322	33,988	9,014	16,402	-	146,769
<b>Accumulated depreciation:</b>							
1 January 2015	-	8,118	20,853	4,576	5,643	-	39,190
Depreciation for the year	-	1,290	2,545	406	2,171	-	6,412
Depreciation on disposals	-	-	(490)	(44)	-	-	(534)
31 December 2015	-	9,408	22,908	4,938	7,814	-	45,068
Depreciation for the year	-	2,016	2,238	988	2,021	-	7,263
Depreciation on disposals	-	-	(235)	(51)	(4,213)	-	(4,499)
31 December 2016	-	11,424	24,911	5,875	5,622	-	47,832
<b>Allowance for impairment loss:</b>							
31 December 2015	1	-	-	-	-	-	1
31 December 2016	1	-	-	-	-	-	1
<b>Net book value:</b>							
31 December 2015	47,042	30,914	10,761	3,024	10,401	-	102,142
31 December 2016	47,042	28,898	9,077	3,139	10,780	-	98,936
<b>Depreciation for the year</b>							
2015 (Baht 3.3 million included in cost of sales, and the balance in selling and administrative expenses)							6,412
2016 (Baht 3.0 million included in cost of sales, and the balance in selling and administrative expenses)							7,263

As at 31 December 2016, the Company had vehicles with net book values amounting to Baht 6.5 million (2015: Baht 4.4 million) which were acquired under hire purchase agreements.

As at 31 December 2016, certain items to plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 17.3 million (2015: Baht 17.9 million).

### 13. Intangible assets

Intangible assets comprised operation licenses. The net book value of intangible assets as at 31 December 2016 and 2015 in the consolidated financial statements is presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<hr/>
As at 31 December 2016:	
Cost	4,282
Less: Accumulated amortisation	(1,028)
Net book value	<hr/> <u>3,254</u>
As at 31 December 2015:	
Cost	4,282
Less: Accumulated amortisation	(600)
Net book value	<hr/> <u>3,682</u>

A reconciliation of the net book value of intangible assets for the year 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	3,682	4,111
Amortisation	(428)	(429)
Net book value at end of year	<hr/> <u>3,254</u>	<hr/> <u>3,682</u>



#### 14. Trust receipts

		(Unit: Thousand Baht)			
		Consolidated		Separate	
Interest rate		financial statements		financial statements	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
(percent per annum)					
Trust receipts	Market rate	Market rate			
	plus / minus	plus / minus			
	stipulated	stipulated			
	margin	margin	194,056	182,653	194,056
			194,056	182,653	194,056
Total			194,056	182,653	194,056

As at 31 December 2016, the non-secured short-term credit facilities of the Company which have not yet been drawn down amounted to approximately Baht 969 million (2015: Baht 935 million).

#### 15. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties (Note 6)		1,875	3,758	3,483	3,845
Trade payables - unrelated parties		43,389	40,918	43,283	40,898
Other payables - related parties (Note 6)		160	583	160	583
Other payables - unrelated parties		1,224	2,057	1,069	1,974
Accrued expenses		10,522	8,800	10,378	8,688
Total trade and other payables		57,170	56,116	58,373	55,988

## 16. Liabilities under hire purchase agreements

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Liabilities under hire purchase agreements	2,415	1,669
Less : Deferred interest expenses	(187)	(160)
Total	2,228	1,509
Less : Portion due within one year	(773)	(544)
Liabilities under hire purchase agreements - net of current portion	<u>1,455</u>	<u>965</u>

The Company has entered into the hire purchase agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

The Company has future minimum lease payments required under the hire purchase agreements were as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	868	1,547	-	2,415
Deferred interest expenses	(95)	(92)	-	(187)
Present value of future minimum lease payments	<u>773</u>	<u>1,455</u>	<u>-</u>	<u>2,228</u>

	(Unit: Thousand Baht)			
	As at 31 December 2015			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	611	1,058	-	1,669
Deferred interest expenses	(67)	(93)	-	(160)
Present value of future minimum lease payments	<u>544</u>	<u>965</u>	<u>-</u>	<u>1,509</u>

## 17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
<b>Provision for long-term employee benefits at beginning of year</b>	4,231	2,505
Included in profit or loss:		
Current service cost	645	352
Interest cost	131	110
Included in other comprehensive income:		
Actuarial losses		
Financial assumptions changes	1,834	875
Experience adjustments	644	389
<b>Provisions for long-term employee benefits at end of year</b>	<u>7,485</u>	<u>4,231</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Selling and administrative expenses	<u>776</u>	<u>462</u>
Total expenses recognised in profit or loss	<u>776</u>	<u>462</u>

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 19 years (2015: 17 years).

Significant actuarial assumptions are summarised below:

	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	3.30	3.10
Future salary increase rate	10.00	8.00
Staff turnover rate (depending on age)	0.50 - 30.00	0.50-30.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: million Baht)			
	2016		2015	
	Consolidated/Separate financial statements		Consolidated/Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.14)	1.38	(0.7)	0.8
Salary increase rate	1.27	(1.09)	0.8	(0.7)

## 18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	23,525	18,926	23,232	18,036
Executive's remuneration (Note 6)	11,545	10,707	10,804	9,959
Depreciation (Note 12)	9,013	7,835	7,263	6,412
Purchase of raw materials and finished goods	579,711	577,234	578,950	577,009
Changes in inventories of raw material and finished goods	36	(6,265)	759	(6,050)
Rental expenses from operating lease agreements	8,970	2,255	8,970	2,255
Transportation expenses	1,791	7,185	1,791	7,185

## 20. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current income tax:</b>				
Current income tax charge	27,181	23,747	27,181	23,747
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(61)	(93)	(61)	(93)
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>27,120</u>	<u>23,654</u>	<u>27,120</u>	<u>23,654</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to gain (loss) on revaluation of available-for-sale investments	3,079	(887)	3,079	(887)
Deferred tax relating to actuarial losses	(496)	(253)	(496)	(253)
	<u>2,583</u>	<u>(1,140)</u>	<u>2,583</u>	<u>(1,140)</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	132,643	112,954	134,436	117,204
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	26,529	22,591	26,887	23,441
Effects of:				
Non-deductible expenses	231	211	231	211
Additional expense deductions allowed	2	2	2	2
Others	358	850	-	-
Total	591	1,063	233	213
Income tax expenses reported in the statement of comprehensive income	27,120	23,654	27,120	23,654

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	33	36	33	36
Allowance for diminution in value of inventories	106	198	106	198
Provision for long-term employee benefits	1,497	846	1,497	846
Total	1,636	1,080	1,636	1,080
<b>Deferred tax liabilities</b>				
Gain on revaluation of available-for-sale investments	4,643	1,564	4,643	1,564
Total	4,643	1,564	4,643	1,564
<b>The presentation in financial statements</b>				
Deferred tax liabilities	3,007	484	3,007	484

As at 31 December 2016, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 6.5 million (2015: Baht 5.7 million) on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 21. Warrants

In accordance with the resolution passed by the Annual General Meeting of the Company's shareholders for the year 2015, 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 year, no warrants have been exercised.

## 22. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
105,741	90,150	302,687	302,687	0.35	0.30
<b>Effect of dilutive potential ordinary shares</b>					
Warrants (GIFT-W1)		66,226	71,651		
<b>Diluted earnings per share</b>					
Profit attributable to ordinary shareholders					
assuming the conversion of warrants to					
ordinary shares					
105,741	90,150	368,913	374,338	0.29	0.24

	Separate financial statements					
	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)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	<u>107,315</u>	<u>93,550</u>	302,687	302,687	<u>0.35</u>	<u>0.31</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (GIFT-W1)			<u>66,226</u>	<u>71,651</u>		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>107,315</u>	<u>93,550</u>	<u>368,913</u>	<u>374,338</u>	<u>0.29</u>	<u>0.25</u>

### 23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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.

#### Major customers

For the years 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

### 24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 - 10 percent of basic salary. The fund, which is managed by Krungsri asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 1.1 million (2015: Baht 0.9 million) were recognised as expenses.



## 25. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders held on 19 April 2016	21,188	0.0699993

## 26. Commitments and contingent liabilities

### 26.1 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 generally between 1 and 3 years.

As at 31 December 2016, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	<u>Consolidated/ Separate Financial Statement</u>	
	<u>2016</u>	<u>2015</u>
Payable within:		
In up to 1 year	3	2
In over 1 and up to 3 years	-	1

### 26.2 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 11 million (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 business. These letters of guarantee are to guarantee payments due to creditors.

## 27. Fair value hierarchy

As at 31 December 2016, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	<u>Consolidated/Separate Financial Statements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets measured at fair value</b>				
Available-for-sale investments (Note 10)	113.9	-	-	113.9
<b>Assets disclosed at fair value</b>				
Foreign currency forward contracts	-	0.1	-	0.1

## **28. Financial instruments**

### **28.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, available-for-sale investments, trust receipts, trade and other payables, and liabilities under hire purchase agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### ***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

## Consolidated financial statements

31 December 2016

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	295,495	3,945	299,440	0.375-1.380
Trade receivables	-	-	-	-	179,058	179,058	-
Available-for-sale investments	-	-	-	-	113,897	113,897	-
	-	-	-	295,495	296,900	592,395	
<b>Financial liabilities</b>							
Trust receipts	-	-	-	194,056	-	194,056	1.30-3.10
Trade and other payables	-	-	-	-	57,170	57,170	-
Liabilities under hire purchase agreements	585	1,455	-	-	188	2,228	4.01-7.50
	585	1,455	-	194,056	57,358	253,454	

(Unit: Thousand Baht)

## Consolidated financial statements

31 December 2015

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	210,525	1,945	212,470	0.375 - 1.500
Trade and other receivables	-	-	-	-	193,031	193,031	-
Available-for-sale investments	-	-	-	-	73,264	73,264	-
	-	-	-	210,525	268,240	478,765	
<b>Financial liabilities</b>							
Trust receipts	-	-	-	182,653	-	182,653	1.10 - 1.15
Trade and other payables	-	-	-	-	56,116	56,116	-
Liabilities under hire purchase agreement	223	777	-	-	509	1,509	7.50
	223	777	-	182,653	56,625	240,278	

(Unit: Thousand Baht)

Separate financial statements						
31 December 2016						
Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	285,671	3,905	289,576	0.375-1.380
Trade receivables	-	-	-	179,050	179,050	-
Available-for-sale investments	-	-	-	113,897	113,897	-
	-	-	285,671	296,852	582,523	
<b>Financial liabilities</b>						
Trust receipts	-	-	194,056	-	194,056	1.30-3.10
Trade and other payables	-	-	-	58,373	58,373	-
Liabilities under hire purchase agreements	585	1,455	-	188	2,228	4.01-7.50
	585	1,455	194,056	58,561	254,657	

(Unit: Thousand Baht)

Separate financial statements						
31 December 2015						
Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	209,098	1,230	210,328	0.375 - 1.500
Trade and other receivables	-	-	-	193,031	193,031	-
Available-for-sale investments	-	-	-	73,264	73,264	-
	-	-	209,098	267,525	476,623	
<b>Financial liabilities</b>						
Trust receipts	-	-	182,653	-	182,653	1.10 - 1.15
Trade and other payables	-	-	-	55,988	55,988	-
Liabilities under hire purchase agreement	223	777	-	509	1,509	7.50
	223	777	182,653	56,497	240,150	

**Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

As at 31 December 2016, the balances of unhedged financial assets and financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2016 (Million)	2015 (Million)	2016 (Million)	2015 (Million)	2016 (Baht per 1 foreign currency unit)	2015
US dollar	-	0.02	1.09	0.50	35.8307	36.0886
Euro	-	0.02	0.07	0.25	37.7577	39.4388

As at 31 December 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	0.97	34.9775 - 36.1300	February 2017 - July 2017
Euro	0.02	37.9900 - 38.0200	January 2017 - February 2017

## 28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position. Except investments in money market fund and available-for-sale investments of which amount are both presented at cost and at fair value as described in Note 7 and Note 10 to financial statements.

## 29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.51:1 (2015: 0.55:1) and the Company's was 0.51:1 (2015: 0.55:1).

## 30. Events after the reporting period

On 21 February 2017, the Company's Board of Directors Meeting No. 1/2017 approved the resolutions to propose to the Annual General Meeting of the Company's shareholders for the year 2017 for approval to pay a dividend of Baht 0.135 per share, or a total of Baht 40.86 million, to the shareholders in respect of the 2016 earnings.

## 31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2017.