

Gratitude Infinite Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2017

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 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017, 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: 10 August 2017

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		253,033	299,440	242,236	289,575
Trade receivables	3	199,597	179,058	199,767	179,050
Inventories	4	128,552	128,480	129,596	128,684
Other current assets		3,360	6,408	2,093	5,279
Total current assets		584,542	613,386	573,692	602,588
Non-current assets					
Available-for-sale investments	5	89,880	113,897	89,880	113,897
Investment in subsidiary company	6	-	-	37,799	37,799
Property, plant and equipment	7	187,513	114,219	170,501	98,936
Intangible assets	8	3,042	3,254	-	-
Deferred tax assets		3,015	-	3,015	-
Other non-current assets		1,637	328	211	240
Total non-current assets		285,087	231,698	301,406	250,872
Total assets		869,629	845,084	875,098	853,460

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 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trust receipts	9	203,618	194,055	203,618	194,055
Trade and other payables	10	55,178	57,170	53,188	58,373
Current portion of liabilities					
under hire purchase agreements		628	773	628	773
Income tax payable		13,940	13,150	13,940	13,150
Other current liabilities		2,975	8,286	2,860	8,133
Total current liabilities		276,339	273,434	274,234	274,484
Non-current liabilities					
Liabilities under hire purchase agreements - net					
of current portion		1,151	1,455	1,151	1,455
Provision for long-term employee benefits	11	8,108	7,485	8,108	7,485
Deferred tax liabilities		-	3,007	-	3,007
Total non-current liabilities		9,259	11,947	9,259	11,947
Total liabilities		285,598	285,381	283,493	286,431

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 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2017</u>	<u>31 December 2016</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
454,029,949 ordinary shares of Baht 1 each	<u>454,030</u>	<u>454,030</u>	<u>454,030</u>	<u>454,030</u>
Issued and fully paid up				
320,149,022 ordinary shares of Baht 1 each	320,149	302,687	320,149	302,687
(31 December 2016: 302,686,717 ordinary shares of Baht 1 each)				
Share premium	59,113	41,651	59,113	41,651
Retained earnings				
Appropriated - statutory reserve	23,000	23,000	23,000	23,000
Unappropriated	188,157	174,958	194,566	181,119
Other components of shareholders' equity	<u>(6,388)</u>	<u>17,407</u>	<u>(5,223)</u>	<u>18,572</u>
Total shareholders' equity	<u>584,031</u>	<u>559,703</u>	<u>591,605</u>	<u>567,029</u>
Total liabilities and shareholders' equity	<u>869,629</u>	<u>845,084</u>	<u>875,098</u>	<u>853,460</u>
	-	-	-	-

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 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		183,576	184,341	183,700	184,391
Other income					
Gains on exchange		85	-	85	-
Gains from sales of available-for-sale investments	5	6,186	10,193	6,186	10,193
Others		3,232	3,904	2,851	3,900
Total revenues		193,079	198,438	192,822	198,484
Expenses					
Cost of sales		135,740	142,284	137,292	142,142
Reversal of reduction of cost of inventories to net realisable value	4	(170)	(98)	(170)	(98)
		135,570	142,186	137,122	142,044
Selling expenses		5,669	6,630	5,637	6,570
Administrative expenses		11,776	8,896	10,293	8,325
Other expenses					
Losses on exchange		-	867	-	867
Total expenses		153,015	158,579	153,052	157,806
Profit before finance cost and income tax expenses		40,064	39,859	39,770	40,678
Finance cost		(1,032)	(1,043)	(1,032)	(1,043)
Profit before income tax expenses		39,032	38,816	38,738	39,635
Income tax expenses	12	(7,834)	(7,686)	(7,834)	(7,686)
Profit for the period		31,198	31,130	30,904	31,949
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on revaluation available-for-sale investments	5	(19,064)	745	(19,064)	745
Less: Income tax effect	12	3,813	(149)	3,813	(149)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(15,251)	596	(15,251)	596
Total comprehensive income for the period		15,947	31,726	15,653	32,545

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 three-month period ended 30 June 2017**

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

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:					
Equity holders of the Company		31,198	31,185	30,904	31,949
Non-controlling interests of the subsidiaries		-	(55)		
		<u>31,198</u>	<u>31,130</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		15,947	31,781	15,653	32,545
Non-controlling interests of the subsidiaries		-	(55)		
		<u>15,947</u>	<u>31,726</u>		
Earnings per share					
14					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.09</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 six-month period ended 30 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		368,223	385,492	368,259	385,542
Other income					
Gains on exchange		1,063	-	1,063	-
Gains from sales of available-for-sale investments	5	10,843	10,193	10,843	10,193
Others		2,807	3,419	2,774	3,416
Total revenues		382,936	399,104	382,939	399,151
Expenses					
Cost of sales		278,723	298,016	280,376	297,627
Reversal of reduction of cost of inventories to net realisable value	4	(255)	(263)	(255)	(263)
		278,468	297,753	280,121	297,364
Selling expenses		12,375	13,030	12,316	12,946
Administrative expenses		22,050	17,369	20,211	16,211
Other expenses					
Losses on exchange		-	745	-	745
Others		104	1,503	104	1,503
Total expenses		312,997	330,400	312,752	328,769
Profit before finance cost and income tax expenses		69,939	68,704	70,187	70,382
Finance cost		(2,011)	(2,167)	(2,011)	(2,167)
Profit before income tax expenses		67,928	66,537	68,176	68,215
Income tax expenses	12	(13,867)	(14,007)	(13,867)	(14,007)
Profit for the period		54,061	52,530	54,309	54,208
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on revaluation available-for-sale investments	5	(29,744)	8,065	(29,744)	8,065
Less: Income tax effect	12	5,949	(1,613)	5,949	(1,613)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(23,795)	6,452	(23,795)	6,452
Total comprehensive income for the period		30,266	58,982	30,514	60,660

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 six-month period ended 30 June 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company	54,061	52,761	54,309	54,208
Non-controlling interests of the subsidiaries	-	(231)		
	<u>54,061</u>	<u>52,530</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	30,266	59,213	30,514	60,660
Non-controlling interests of the subsidiaries	-	(231)		
	<u>30,266</u>	<u>58,982</u>		
Earnings per share	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.18</u>	<u>0.17</u>	<u>0.18</u>	<u>0.18</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.13</u>	<u>0.14</u>	<u>0.13</u>	<u>0.15</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 six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	67,928	66,537	68,176	68,215
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Reversal of allowance for doubtful account	-	(8)	-	(8)
Depreciation and amortisation	4,834	4,523	3,705	3,442
Reversal of reduction of cost of inventories to net realisable value	(255)	(263)	(255)	(263)
Gain on sales of available-for-sale investments	(10,843)	(10,193)	(10,843)	(10,193)
Loss (gain) on sales of equipment	(11)	79	(11)	79
Interest expenses	2,011	2,167	2,011	2,167
Interest income	(1,074)	(292)	(1,074)	(289)
Unrealised gain on exchange	(579)	(441)	(579)	(441)
Unrealised loss from forward exchange contracts	104	1,503	104	1,503
Provision for long-term employee benefits	623	388	623	388
Profit from operating activities before changes in operating assets and liabilities	62,738	64,000	61,857	64,600
Operating assets (increase) decrease				
Trade receivables	(20,089)	3,566	(20,267)	3,497
Inventories	183	(11,801)	(659)	(11,732)
Other current assets	3,047	(1,831)	3,186	(1,848)
Other non-current assets	(1,309)	(975)	29	(975)
Operating liabilities increase (decrease)				
Trade and other payables	(1,863)	16,522	(5,056)	16,520
Other current liabilities	(5,415)	(736)	(5,376)	(736)
Other non-current liabilities	-	1,080	-	1,080
Cash flows from operating activities	37,292	69,825	33,714	70,406
Cash paid for interest expenses	(2,029)	(2,290)	(2,029)	(2,290)
Cash paid for corporate income tax	(13,150)	(11,773)	(13,150)	(11,773)
Net cash flows from operating activities	22,113	55,762	18,535	56,343

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Acquisition of machinery and equipment	(77,918)	(3,748)	(75,272)	(3,748)
Proceed from sales of equipment	13	89	13	89
Interest income	1,074	299	1,074	296
Cash received from sales of available-for-sale investments	25,116	37,310	25,116	37,310
Acquisition of available-for-sale investments	(20,000)	(5,273)	(20,000)	(5,273)
Cash paid for investment in subsidiary company	-	-	-	(5,800)
Net cash flows from (used in) investing activities	(71,715)	28,677	(69,069)	22,874
Cash flows from financing activities				
Increase in trust receipts	9,581	28,953	9,581	28,953
Repayment of liabilities under hire purchase agreements	(449)	(279)	(449)	(279)
Cash paid for investment in subsidiary company	-	(5,800)	-	-
Dividend paid	(40,862)	(21,188)	(40,862)	(21,188)
Proceed from exercised warrant	34,925	-	34,925	-
Net cash flows from financing activities	3,195	1,686	3,195	7,486
Net increase (decrease) in cash and cash equivalents	(46,407)	86,125	(47,339)	86,703
Cash and cash equivalents at beginning of period	299,440	212,470	289,575	210,328
Cash and cash equivalents at end of period	253,033	298,595	242,236	297,031
	-	-	-	-
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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
				Other components of shareholders' equity						
				Other comprehensive income						
Issued and paid-up		Retained earnings		Surplus (deficit) 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
share capital	Share premium	Appropriated - statutory reserve	Unappropriated							
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	-	-	52,761	-	-	-	-	52,761	(231)	52,530
Other comprehensive income for the period	-	-	-	-	6,452	-	6,452	6,452	-	6,452
Total comprehensive income for the period	-	-	52,761	-	6,452	-	6,452	59,213	(231)	58,982
Purchases of investments in subsidiary	-	-	-	-	-	(1,167)	(1,167)	(1,167)	(4,633)	(5,800)
Dividends payment (Note 16)	-	-	(21,188)	-	-	-	-	(21,188)	-	(21,188)
Balance as at 30 June 2016	302,687	41,651	17,500	129,461	12,707	(1,167)	11,540	502,839	(11)	502,828
Balance as at 1 January 2017	302,687	41,651	23,000	174,958	18,572	(1,165)	17,407	559,703	-	559,703
Profit for the period	-	-	54,061	-	-	-	-	54,061	-	54,061
Other comprehensive income for the period	-	-	-	-	(23,795)	-	(23,795)	(23,795)	-	(23,795)
Total comprehensive income for the period	-	-	54,061	-	(23,795)	-	(23,795)	30,266	-	30,266
Ordinary shares issuance from exercised warrants (Note 13)	17,462	17,462	-	-	-	-	-	34,924	-	34,924
Dividends payment (Note 16)	-	-	(40,862)	-	-	-	-	(40,862)	-	(40,862)
Balance as at 30 June 2017	320,149	59,113	23,000	188,157	(5,223)	(1,165)	(6,388)	584,031	-	584,031

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital		Retained earnings		Other components of shareholders' equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Surplus (deficit) on changes in values of available-for-sale investments			
					Share premium	statutory reserve		
Balance as at 1 January 2016	302,687	41,651	17,500	102,474	6,255	6,255	470,567	
Profit for the period	-	-	-	54,208	-	-	54,208	
Other comprehensive income for the period	-	-	-	-	6,452	6,452	6,452	
Total comprehensive income for the period	-	-	-	54,208	6,452	6,452	60,660	
Dividends payment (Note 16)	-	-	-	(21,188)	-	-	(21,188)	
Balance as at 30 June 2016	<u>302,687</u>	<u>41,651</u>	<u>17,500</u>	<u>135,494</u>	<u>12,707</u>	<u>12,707</u>	<u>510,039</u>	
Balance as at 1 January 2017	302,687	41,651	23,000	181,119	18,572	18,572	567,029	
Profit for the period	-	-	-	54,309	-	-	54,309	
Other comprehensive income for the period	-	-	-	-	(23,795)	(23,795)	(23,795)	
Total comprehensive income for the period	-	-	-	54,309	(23,795)	(23,795)	30,514	
Ordinary shares issuance from exercised warrants (Note 13)	17,462	17,462	-	-	-	-	34,924	
Dividends payment (Note 16)	-	-	-	(40,862)	-	-	(40,862)	
Balance as at 30 June 2017	<u>320,149</u>	<u>59,113</u>	<u>23,000</u>	<u>194,566</u>	<u>(5,223)</u>	<u>(5,223)</u>	<u>591,605</u>	

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

Gratitude Infinite Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2017

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 2016) "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 2016.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' 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 2016.

2. Related party transactions

During the period, 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.

	For the three-month periods ended 30 June				(Unit: Thousand Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with parent company</u>					
Purchases of finished goods	1,492	5,225	1,492	5,225	Similar to market price
Warehouse rental expenses	120	120	120	120	Contract price
Transportation expenses	-	21	-	21	Contract price
<u>Transaction with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Sales of finished goods	-	-	161	6	Mutual agreed
Purchases of finished goods	-	-	-	502	Mutual agreed
Manufacturing service	-	-	1,645	182	Mutual agreed
Others income	-	-	-	58	Mutual agreed

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transaction with parent company</u>					
Purchases of finished goods	5,136	7,828	5,136	7,828	Similar to market price
Warehouse rental expenses	240	240	240	240	Contract price
Transportation expenses	-	33	-	33	Contract price
<u>Transaction with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Sales of finished goods	-	-	161	6	Mutual agreed
Purchases of finished goods	-	-	-	627	Mutual agreed
Manufacturing service	-	-	3,661	358	Mutual agreed
Others income	-	-	-	58	Mutual agreed
<u>Transactions with related company</u>					
Purchases of finished goods	-	1,428	-	1,428	Similar to market price
Purchases of assets	-	154	-	154	Similar to market price

As at 30 June 2017 and 31 December 2016, 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	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
		(Audited)	(Audited)	
<u>Trade payables - related parties</u> (Note 10)				
Subsidiary				
Lavish Laboratory Company Limited	-	-	991	1,608
Parent company				
Union Petrochemical Public Company Limited	2,035	1,875	2,035	1,875
Total trade payables - related parties	2,035	1,875	3,026	3,483
<u>Other payables - related parties</u> (Note 10)				
Parent company				
Union Petrochemical Public Company Limited	40	40	40	40
Directors	84	120	84	120
Total other payables - related parties	124	160	124	160

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, 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 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	4,487	2,726	4,302	2,541
Post-employment benefits	168	109	168	109
Total	<u>4,655</u>	<u>2,835</u>	<u>4,470</u>	<u>2,650</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	8,008	5,470	7,597	5,100
Post-employment benefits	336	218	336	218
Total	<u>8,344</u>	<u>5,688</u>	<u>7,933</u>	<u>5,318</u>

3. Trade receivables

The outstanding balances of trade receivables as at 30 June 2017 and 31 December 2016 are aged, based on due date, as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Audited)		(Audited)	
<u>Trade receivables - related parties</u>				
Not yet due	-	-	168	8
Past due				
Up to 3 months	-	-	4	5
Total trade receivables - related parties	-	-	172	13
<u>Trade receivable - unrelated parties</u>				
Not yet due	141,389	117,115	141,387	117,112
Past due				
Up to 3 months	57,800	61,943	57,800	61,925
3 - 6 months	408	-	408	-
Over 12 months	166	166	166	166
Total	199,763	179,224	199,761	179,203
Less: Allowance for doubtful accounts	(166)	(166)	(166)	(166)
Total trade receivable - unrelated parties, net	199,597	179,058	199,595	179,037
Total trade receivable - net	199,597	179,058	199,767	179,050

(Unaudited but reviewed)

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 six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	527	527
Less: Decrease during the period	(255)	(255)
Balance as at 30 June 2017	<u>272</u>	<u>272</u>

5. Available-for-sale investments

As at 30 June 2017 and 31 December 2016, the balance of investment in available-for-sale investments are as follows:

(Unit: Thousand Baht)

Type of investments	Consolidated financial statements/Separate financial statements					
	Cost		Unrealised gain (loss) on changes in value of investment		Carrying amount	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Available-for-sale securities	96,410	90,683	(6,530)	23,214	89,880	113,897
Total	<u>96,410</u>	<u>90,683</u>	<u>(6,530)</u>	<u>23,214</u>	<u>89,880</u>	<u>113,897</u>

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.

(Unaudited but reviewed)

During the six-month periods ended 30 June 2017 and 2016, the movement of available-for-sale investments is as follows:

(Unit: Thousand Baht)

Consolidated financial statements /
Separate financial statements

	<u>2017</u>	<u>2016</u>
Book value as at 1 January - net	113,897	73,264
Acquisition during the period	20,000	5,273
Disposal during the period - at cost	(14,273)	(27,117)
Gain (loss) on changes in value of available-for-sale investments during the period	(29,744)	8,065
Book value as at 30 June - net	<u>89,880</u>	<u>59,485</u>

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company has realised gain on sales of 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 June		For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Profit or loss:</u>				
Realised gain on sales of available-for-sale investments	6,186	10,193	10,843	10,193
	<u>6,186</u>	<u>10,193</u>	<u>10,843</u>	<u>10,193</u>
<u>Other comprehensive income:</u>				
Gain (loss) on changes in value of available-for-sale investments				
Gain (loss) recognised in shareholders' equity	(12,878)	10,938	(18,901)	18,258
Transferred to profit or loss due to disposals	(6,186)	(10,193)	(10,843)	(10,193)
	<u>(19,064)</u>	<u>745</u>	<u>(29,744)</u>	<u>8,065</u>

6. Investment in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Carrying amounts based on cost method	
	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
			(percent)	(percent)		(Audited)
Lavish Laboratory Company Limited	33,000	33,000	99.99	99.99	32,800	32,800
Ligit Company Limited	5,000	5,000	99.99	99.99	4,999	4,999
Total investment in subsidiaries					37,799	37,799

On 10 August 2017, the Company's Board of directors' meeting approved the additional investment in subsidiary, Lavish Laboratory Company Limited amounting to Baht 17 million to maintain the existing shareholding since the subsidiary plan to increase its registered capital from Baht 33 million (330,000 ordinary shares of Baht 100 each) to Baht 50 million (500,000 ordinary shares of Baht 100 each) in third quarter of this year.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	114,219	98,936
Acquisitions during period - at cost	77,918	75,272
Depreciation for the period	(4,622)	(3,705)
Disposal during period - net book value of disposal date	(2)	(2)
Net book value as at 30 June 2017	187,513	170,501

As at 30 June 2017, the Company has vehicle under hire purchase agreements with net book value amounting to approximately Baht 5.9 million (31 December 2016: approximately Baht 6.5 million).

(Unaudited but reviewed)

8. Intangible assets

Intangible assets comprised licenses. Movement of the intangible assets accounts during the six-month period ended 30 June 2017 in the consolidated financial statement are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2017	3,254
Amortisation for the period	(212)
Net book value as at 30 June 2017	<u>3,042</u>

9. Trust receipts

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
Interest rate		31 June 2017	31 December 2016	31 June 2017	31 December 2016
		(percent per annum)		(Audited)	
Trust receipts	Market rate plus / minus stipulated margin	Market rate plus / minus stipulated margin			
		203,618	194,055	203,618	194,055
Total		<u>203,618</u>	<u>194,055</u>	<u>203,618</u>	<u>194,055</u>

As at 30 June 2017, the non-secured short-term credit facilities of the Company which have not yet been drawn down amounted to approximately Baht 859 million (31 December 2016: Baht 969 million).

10. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)	
Trade payables - related parties (Note 2)		2,035	1,875	3,026	3,483
Trade payables - unrelated parties		37,990	43,389	36,124	43,283
Other payables - related parties (Note 2)		124	160	124	160
Other payables - unrelated parties		7,635	1,224	6,885	1,069
Accrued expenses		7,394	10,522	7,029	10,378
Total trade and other payables		<u>55,178</u>	<u>57,170</u>	<u>53,188</u>	<u>58,373</u>

(Unaudited but reviewed)

11. Provision for long-term employee benefits

Movements of the provision for long-term employee benefits account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	7,485	7,485
Add: Addition during the period	623	623
Balance as at 30 June 2017	<u>8,108</u>	<u>8,108</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 six-month periods ended 30 June 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	7,863	7,705	7,863	7,705
Deferred tax:				
Relating to origination and reversal of temporary differences	(29)	(19)	(29)	(19)
Income tax expense reported in the statements of comprehensive income	<u>7,834</u>	<u>7,686</u>	<u>7,834</u>	<u>7,686</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	13,941	14,030	13,941	14,030
Deferred tax:				
Relating to origination and reversal of temporary differences	(74)	(23)	(74)	(23)
Income tax expense reported in the statements of comprehensive income	<u>13,867</u>	<u>14,007</u>	<u>13,867</u>	<u>14,007</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain (loss) on revaluation of available-for-sale investments	(3,813)	149	(3,813)	149
Total	<u>(3,813)</u>	<u>149</u>	<u>(3,813)</u>	<u>149</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain (loss) on revaluation of available-for-sale investments	(5,949)	1,613	(5,949)	1,613
Total	<u>(5,949)</u>	<u>1,613</u>	<u>(5,949)</u>	<u>1,613</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.

As at 28 April 2017, the Company received subscriptions of Baht 2 per share for the additional ordinary shares arising from the exercise of 17,462,305 warrants (GIFT-W1), for a total of Baht 34,924,610. The Company registered the resulting increase of Baht 17,462,305 in its capital with the Ministry of Commerce on 17 May 2017 and the Stock Exchange of Thailand listed the shares on 19 May 2017.

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.

Diluted 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 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						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	<u>31,198</u>	<u>31,185</u>	314,776	302,687	<u>0.10</u>	<u>0.10</u>
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			<u>96,996</u>	<u>58,812</u>		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>31,198</u>	<u>31,185</u>	<u>411,772</u>	<u>361,499</u>	<u>0.08</u>	<u>0.09</u>
Consolidated financial statements						
For the six-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	<u>54,061</u>	<u>52,761</u>	308,765	302,687	<u>0.18</u>	<u>0.17</u>
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			<u>99,114</u>	<u>58,637</u>		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>54,061</u>	<u>52,761</u>	<u>407,879</u>	<u>361,324</u>	<u>0.13</u>	<u>0.15</u>

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	30,904	31,949	314,776	302,687	0.10	0.11
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			96,996	58,812		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	30,904	31,949	411,772	361,499	0.08	0.09

Separate financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	54,309	54,208	308,765	302,687	0.18	0.18
Effect of dilutive potential ordinary shares						
Warrants (GIFT-W1)			99,114	58,637		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	54,309	54,208	407,879	361,324	0.13	0.15

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.

(Unaudited but reviewed)

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
Final dividends for 2016	Annual General Meeting of the shareholders on 18 April 2017	40.86	0.14

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 June 2017, future minimum lease payments required under these operating leases contracts and service agreements were as follows.

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements	
	30 June 2017	31 December 2016
Payable within:		
In up to 1 year	2	3

17.2 Bank guarantees

As at 30 June 2017, there were outstanding bank guarantees of Baht 12 million (31 December 2016: 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 June 2017, 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 June 2017 (Baht per 1 foreign currency unit)
US dollar	0.57	33.9814
Euro	0.01	38.8523

(Unaudited but reviewed)

As at 30 June 2017, 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	0.43	33.9238 - 34.5800	August 2017 - January 2018
Euro	0.01	37.0500 - 38.8500	July 2017 - August 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 June 2017, 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)	89.9	-	-	89.9
Liabilities disclosed at fair value				
Foreign currency forward contracts	-	0.1	-	0.1

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 10 August 2017.