

Gratitude Infinite Public Company Limited and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, 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 November 2017

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

**Statement of financial position**

**As at 30 September 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<u>Note</u>	<u>30 September 2017</u>	<u>31 December 2016</u>	<u>30 September 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		226,916	299,440	204,054	289,575
Trade and other receivables	3	235,049	179,058	236,567	179,050
Inventories	4	126,725	128,480	125,844	128,684
Other current assets		3,750	6,408	2,201	5,279
<b>Total current assets</b>		<u>592,440</u>	<u>613,386</u>	<u>568,666</u>	<u>602,588</u>
<b>Non-current assets</b>					
Available-for-sale investments	5	82,640	113,897	82,640	113,897
Investment in subsidiary companies	6	-	-	54,794	37,799
Property, plant and equipment	7	189,253	114,219	169,154	98,936
Intangible assets	8	2,934	3,254	-	-
Deferred tax assets		3,043	-	3,043	-
Other non-current assets		472	328	212	240
<b>Total non-current assets</b>		<u>278,342</u>	<u>231,698</u>	<u>309,843</u>	<u>250,872</u>
<b>Total assets</b>		<u><u>870,782</u></u>	<u><u>845,084</u></u>	<u><u>878,509</u></u>	<u><u>853,460</u></u>

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

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<u>Note</u>	<u>30 September 2017</u>	<u>31 December 2016</u>	<u>30 September 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trust receipts	9	169,187	194,055	169,187	194,055
Trade and other payables	10	69,422	57,170	71,937	58,373
Current portion of liabilities					
under hire purchase agreements		610	773	610	773
Income tax payable		6,960	13,150	6,960	13,150
Other current liabilities		1,122	8,286	751	8,133
<b>Total current liabilities</b>		<u>247,301</u>	<u>273,434</u>	<u>249,445</u>	<u>274,484</u>
<b>Non-current liabilities</b>					
Liabilities under hire purchase agreements - net					
of current portion		995	1,455	995	1,455
Provision for long-term employee benefits	11	8,420	7,485	8,420	7,485
Deferred tax liabilities		-	3,007	-	3,007
<b>Total non-current liabilities</b>		<u>9,415</u>	<u>11,947</u>	<u>9,415</u>	<u>11,947</u>
<b>Total liabilities</b>		<u>256,716</u>	<u>285,381</u>	<u>258,860</u>	<u>286,431</u>

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

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

**Statement of financial position (continued)**

**As at 30 September 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>30 September 2017</u>	<u>31 December 2016</u>	<u>30 September 2017</u>	<u>31 December 2016</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
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	217,999	174,958	222,417	181,119
Other components of shareholders' equity	<u>(6,195)</u>	<u>17,407</u>	<u>(5,030)</u>	<u>18,572</u>
<b>Total shareholders' equity</b>	<u>614,066</u>	<u>559,703</u>	<u>619,649</u>	<u>567,029</u>
<b>Total liabilities and shareholders' equity</b>	<u>870,782</u>	<u>845,084</u>	<u>878,509</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 September 2017**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		195,998	188,268	196,565	188,164
Other income					
Gain on exchange		158	-	158	-
Gain from sale of available-for-sale investments	5	3,630	9,531	3,630	9,531
Others		618	2,346	616	2,324
<b>Total revenues</b>		<u>200,404</u>	<u>200,145</u>	<u>200,969</u>	<u>200,019</u>
<b>Expenses</b>					
Cost of sales		145,824	147,357	149,270	147,403
Reduction (reversal) of cost of inventories to net realisable value	4	67	(133)	67	(133)
		145,891	147,224	149,337	147,270
Selling expenses		5,850	6,706	5,760	6,692
Administrative expenses		10,912	9,530	10,112	8,786
Other expenses					
Losses on exchange		-	1,013	-	1,013
<b>Total expenses</b>		<u>162,653</u>	<u>164,473</u>	<u>165,209</u>	<u>163,761</u>
<b>Profit before finance cost and income tax expenses</b>		<u>37,751</u>	<u>35,672</u>	<u>35,760</u>	<u>36,258</u>
Finance cost		(1,026)	(1,144)	(1,026)	(1,144)
<b>Profit before income tax expenses</b>		<u>36,725</u>	<u>34,528</u>	<u>34,734</u>	<u>35,114</u>
Income tax expenses	12	(6,883)	(6,842)	(6,883)	(6,842)
<b>Profit for the period</b>		<u>29,842</u>	<u>27,686</u>	<u>27,851</u>	<u>28,272</u>
<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	5	241	(592)	241	(592)
Less: Income tax effect	12	(48)	118	(48)	118
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		193	(474)	193	(474)
<b>Total comprehensive income for the period</b>		<u>30,035</u>	<u>27,212</u>	<u>28,044</u>	<u>27,798</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 (continued)**

**For the three-month period ended 30 September 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>
<b>Profit attributable to:</b>				
Equity holders of the Company	29,842	27,686	27,851	28,272
Non-controlling interests of the subsidiaries	-	-		
	<u>29,842</u>	<u>27,686</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	30,035	27,212	28,044	27,798
Non-controlling interests of the subsidiaries	-	-		
	<u>30,035</u>	<u>27,212</u>		
<b>Earnings per share</b>	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.09</u>	<u>0.09</u>	<u>0.09</u>	<u>0.09</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>	<u>0.08</u>

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

(Unaudited but reviewed)

**Gratitude Infinite Public Company Limited and its subsidiaries****Statement of comprehensive income****For the nine-month period ended 30 September 2017**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		564,221	573,760	564,824	573,706
Other income					
Gain on exchange		1,221	-	1,221	-
Gain on sale of available-for-sale investments	5	14,473	19,724	14,473	19,724
Others		3,321	4,596	3,286	4,571
<b>Total revenues</b>		<u>583,236</u>	<u>598,080</u>	<u>583,804</u>	<u>598,001</u>
<b>Expenses</b>					
Cost of sales		424,547	445,373	429,646	445,030
Reversal of reduction of cost of inventories to net realisable value	4	(188)	(396)	(188)	(396)
		424,359	444,977	429,458	444,634
Selling expenses		18,225	19,736	18,076	19,638
Administrative expenses		32,962	26,899	30,323	24,997
Other expenses					
Losses on exchange		-	1,758	-	1,758
Others		-	334	-	334
<b>Total expenses</b>		<u>475,546</u>	<u>493,704</u>	<u>477,857</u>	<u>491,361</u>
<b>Profit before finance cost and income tax expenses</b>		107,690	104,376	105,947	106,640
Finance cost		(3,037)	(3,311)	(3,037)	(3,311)
<b>Profit before income tax expenses</b>		104,653	101,065	102,910	103,329
Income tax expenses	12	(20,750)	(20,849)	(20,750)	(20,849)
<b>Profit for the period</b>		<u>83,903</u>	<u>80,216</u>	<u>82,160</u>	<u>82,480</u>
<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	5	(29,503)	7,473	(29,503)	7,473
Less: Income tax effect	12	5,901	(1,495)	5,901	(1,495)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(23,602)	5,978	(23,602)	5,978
<b>Total comprehensive income for the period</b>		<u>60,301</u>	<u>86,194</u>	<u>58,558</u>	<u>88,458</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 (continued)**

**For the nine-month period ended 30 September 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>
<b>Profit attributable to:</b>				
Equity holders of the Company	83,903	80,447	82,160	82,480
Non-controlling interests of the subsidiaries	-	(231)		
	<u>83,903</u>	<u>80,216</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	60,301	86,425	58,558	88,458
Non-controlling interests of the subsidiaries	-	(231)		
	<u>60,301</u>	<u>86,194</u>		
<b>Earnings per share</b>	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.26</u>	<u>0.27</u>	<u>0.26</u>	<u>0.27</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.21</u>	<u>0.22</u>	<u>0.20</u>	<u>0.22</u>

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

(Unaudited but reviewed)

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

**Cash flow statement**

**For the nine-month period ended 30 September 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>
<b>Cash flows from operating activities</b>				
Profit before tax	104,653	101,065	102,910	103,329
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Reversal of allowance for doubtful accounts	-	(8)	-	(8)
Depreciation and amortisation	7,379	6,966	5,539	5,337
Reversal of reduction of cost of inventories to net realisable value	(188)	(396)	(188)	(396)
Gain on sales of available-for-sales investments	(14,473)	(19,724)	(14,473)	(19,724)
Gain on sales of equipment	(13)	(472)	(13)	(472)
Interest expenses	3,037	3,311	3,037	3,311
Interest income	(1,074)	(323)	(1,074)	(321)
Unrealised gain on exchange	(313)	(290)	(313)	(290)
Unrealised loss from forward exchange contracts	-	334	-	334
Provision for long-term employee benefits	935	582	935	582
Profit from operating activities before changes in operating assets and liabilities	99,943	91,045	96,360	91,682
Operating assets (increase) decrease				
Trade and other receivable	(34,229)	8,873	(35,755)	8,942
Inventories	1,943	(3,528)	3,028	(3,748)
Other current assets	2,657	(2,494)	3,077	(2,542)
Other non-current assets	(144)	51	28	130
Operating liabilities increase (decrease)				
Trade and other payables	12,303	(731)	13,615	(250)
Other current liabilities	(7,162)	(872)	(7,380)	(872)
Cash flows from operating activities	75,311	92,344	72,973	93,342
Cash paid for interest expenses	(3,149)	(3,536)	(3,149)	(3,536)
Cash paid for corporate income tax	(27,091)	(25,803)	(27,091)	(25,803)
<b>Net cash flows from operating activities</b>	<b>45,071</b>	<b>63,005</b>	<b>42,733</b>	<b>64,003</b>

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

(Unaudited but reviewed)

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

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 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>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(82,098)	(4,263)	(75,762)	(4,259)
Proceed from sales of equipment	18	2,426	18	2,426
Interest income	1,077	323	1,077	321
Cash received from sales of available-for-sale investments	46,051	72,710	46,051	72,710
Acquisition of available-for-sale investments	(51,136)	(70,946)	(51,136)	(70,946)
Cash paid for acquisition of investment in subsidiary	-	-	-	(5,800)
Cash paid for investment in newly shares in subsidiary	-	-	(16,995)	-
<b>Net cash flows from (used in) investing activities</b>	<b>(86,088)</b>	<b>250</b>	<b>(96,747)</b>	<b>(5,548)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in trust receipts	(24,945)	23,989	(24,945)	23,989
Repayment of liabilities under hire purchase agreements	(624)	(500)	(624)	(500)
Cash paid for investment in subsidiary company	-	(5,800)	-	-
Dividend paid	(40,862)	(21,188)	(40,862)	(21,188)
Proceed from exercised warrant	34,924	-	34,924	-
<b>Net cash flows from (used in) financing activities</b>	<b>(31,507)</b>	<b>(3,499)</b>	<b>(31,507)</b>	<b>2,301</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(72,524)</b>	<b>59,756</b>	<b>(85,521)</b>	<b>60,756</b>
Cash and cash equivalents at beginning of period	299,440	212,470	289,575	210,328
<b>Cash and cash equivalents at end of period</b>	<b>226,916</b>	<b>272,226</b>	<b>204,054</b>	<b>271,084</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Acquisition of assets through hire purchase agreement	-	1,440	-	1,440
Increase in other receivable from sales of available-for-sale investments	21,312	-	21,312	-

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

(Unaudited but reviewed)

## Gratitude Infinite Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>										
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		Capital	Total other	Total equity	Equity attributable	
share capital		Appropriated -		available-for-sale		deficit from change	components of	attributable to	to non-controlling	
Share premium		statutory reserve		investments		in shareholding	shareholders'	owners of	interests of the	
		Unappropriated				interest in subsidiary	equity	the Company	subsidiaries	
									Total shareholders' equity	
<b>Balance as at 1 January 2016</b>	302,687	41,651	17,500	97,888	6,255	-	6,255	465,981	4,853	470,834
Profit for the period	-	-	-	80,447	-	-	-	80,447	(231)	80,216
Other comprehensive income for the period	-	-	-	-	5,978	-	5,978	5,978	-	5,978
<b>Total comprehensive income for the period</b>	-	-	-	80,447	5,978	-	5,978	86,425	(231)	86,194
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)
<b>Balance as at 30 September 2016</b>	302,687	41,651	17,500	157,147	12,233	(1,167)	11,066	530,051	(11)	530,040
<b>Balance as at 1 January 2017</b>	302,687	41,651	23,000	174,958	18,572	(1,165)	17,407	559,703	-	559,703
Profit for the period	-	-	-	83,903	-	-	-	83,903	-	83,903
Other comprehensive income for the period	-	-	-	-	(23,602)	-	(23,602)	(23,602)	-	(23,602)
<b>Total comprehensive income for the period</b>	-	-	-	83,903	(23,602)	-	(23,602)	60,301	-	60,301
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)
<b>Balance as at 30 September 2017</b>	320,149	59,113	23,000	217,999	(5,030)	(1,165)	(6,195)	614,066	-	614,066

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

(Unaudited but reviewed)

Gratitude Infinite Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Surplus (deficit) on changes in values of available-for-sale investments	Other comprehensive income Total other components of shareholders' equity	
<b>Balance as at 1 January 2016</b>	302,687	41,651	17,500	102,474	6,255	6,255	470,567
Profit for the period	-	-	-	82,480	-	-	82,480
Other comprehensive income for the period	-	-	-	-	5,978	5,978	5,978
<b>Total comprehensive income for the period</b>	-	-	-	82,480	5,978	5,978	88,458
Dividends payment (Note 16)	-	-	-	(21,188)	-	-	(21,188)
<b>Balance as at 30 September 2016</b>	<u>302,687</u>	<u>41,651</u>	<u>17,500</u>	<u>163,766</u>	<u>12,233</u>	<u>12,233</u>	<u>537,837</u>
<b>Balance as at 1 January 2017</b>	302,687	41,651	23,000	181,119	18,572	18,572	567,029
Profit for the period	-	-	-	82,160	-	-	82,160
Other comprehensive income for the period	-	-	-	-	(23,602)	(23,602)	(23,602)
<b>Total comprehensive income for the period</b>	-	-	-	82,160	(23,602)	(23,602)	58,558
Ordinary shares issuance from exercised warrants (Note 13)	17,462	17,462	-	-	-	-	34,924
Dividends payment (Note 16)	-	-	-	(40,862)	-	-	(40,862)
<b>Balance as at 30 September 2017</b>	<u>320,149</u>	<u>59,113</u>	<u>23,000</u>	<u>222,417</u>	<u>(5,030)</u>	<u>(5,030)</u>	<u>619,649</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 nine-month periods ended 30 September 2017**

**1. General information**

**1.1 Corporate 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.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b><u>Transactions with Parent company</u></b>					
Purchases of finished goods	2,873	1,277	2,873	1,277	Similar to market price
Warehouse rental expenses	120	120	120	120	Contract price
<b><u>Transactions with subsidiary</u></b>					
(eliminated from the consolidated financial statements)					
Sales of finished goods	-	-	1,499	46	Mutual agreed
Purchases of finished goods	-	-	-	80	Mutual agreed
Manufacturing service	-	-	3,191	584	Mutual agreed

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b><u>Transactions with Parent company</u></b>					
Purchases of finished goods	8,069	9,106	8,069	9,106	Similar to market price
Warehouse rental expenses	360	360	360	360	Contract price
Transportation expenses	-	33	-	33	Contract price
<b><u>Transactions with subsidiary</u></b>					
(eliminated from the consolidated financial statements)					
Sales of finished goods	-	-	1,660	53	Mutual agreed
Purchases of finished goods	-	-	-	707	Mutual agreed
Manufacturing service	-	-	6,852	942	Mutual agreed
Others income	-	-	-	58	Mutual agreed
<b><u>Transactions with related companies</u></b>					
Purchases of finished goods	-	1,428	-	1,428	Similar to market price
Purchases of assets	-	154	-	154	Similar to market price

As at 30 September 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 September 2017</u>	<u>31 December 2016</u>	<u>30 September 2017</u>	<u>31 December 2016</u>
(Audited)				
<b><u>Trade payables - related parties (Note 10)</u></b>				
Subsidiary				
Lavish Laboratory Company Limited	-	-	3,414	1,608
Parent company				
Union Petrochemical Public Company Limited	4,156	1,875	4,156	1,875
<b>Total trade payables - related parties</b>	<b>4,156</b>	<b>1,875</b>	<b>7,570</b>	<b>3,483</b>
<b><u>Other payables - related parties (Note 10)</u></b>				
Parent company				
Union Petrochemical Public Company Limited	40	40	40	40
Directors	21	120	21	120
<b>Total other payables - related parties</b>	<b>61</b>	<b>160</b>	<b>61</b>	<b>160</b>

(Unaudited but reviewed)

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	4,743	3,061	4,558	2,876
Post-employment benefits	168	109	168	109
Total	<u>4,911</u>	<u>3,170</u>	<u>4,726</u>	<u>2,985</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	12,751	8,482	12,155	7,926
Post-employment benefits	505	327	505	327
Total	<u>13,256</u>	<u>8,809</u>	<u>12,660</u>	<u>8,253</u>

(Unaudited but reviewed)

### 3. Trade and other receivables

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u>				
Not yet due	-	-	1,611	8
Past due				
Up to 3 months	-	-	-	5
Total trade receivables - related parties	-	-	1,615	13
 <u>Trade receivables - unrelated parties</u>				
Not yet due	141,575	117,115	141,574	117,112
Past due				
Up to 3 months	71,878	61,943	71,786	61,925
3 - 6 months	284	-	284	-
Over 12 months	166	166	166	166
Total	213,903	179,224	213,810	179,203
Less: Allowance for doubtful accounts	(166)	(166)	(166)	(166)
Total trade receivable - unrelated parties, net	213,737	179,058	213,644	179,037
Total trade receivable - net	213,737	179,058	215,255	179,050
Other receivables	21,312	-	21,312	-
Total trade receivables and other receivables - net	235,049	179,058	236,567	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 nine-month period ended 30 September 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2017</b>	527	527
Less: Decrease during the period	(188)	(188)
<b>Balance as at 30 September 2017</b>	<u>339</u>	<u>339</u>

#### 5. Available-for-sale investments

As at 30 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Available-for-sale securities	88,929	90,683	(6,289)	23,214	82,640	113,897
Total	<u>88,929</u>	<u>90,683</u>	<u>(6,289)</u>	<u>23,214</u>	<u>82,640</u>	<u>113,897</u>

Available-for-sale investments 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 investments have 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 nine-month periods ended 30 September 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	113,897	73,264
Acquisition during the period	51,136	70,946
Disposal during the period - at cost	(52,890)	(52,986)
Gain (loss) on changes in value of available-for-sale investments during the period	(29,503)	7,473
Book value as at 30 September	<u>82,640</u>	<u>98,697</u>

During the three-month and nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	<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	3,630	9,531	14,473	19,724
	<u>3,630</u>	<u>9,531</u>	<u>14,473</u>	<u>19,724</u>
<u>Other comprehensive income:</u>				
Gain (loss) on changes in value of available-for-sale investments during the period				
Recognition of unrealised gain (loss) on changes in value of investments	3,871	8,939	(15,030)	27,197
Recognition of realised gain on sales of investment in profit or loss	(3,630)	(9,531)	(14,473)	(19,724)
	<u>241</u>	<u>(592)</u>	<u>(29,503)</u>	<u>7,473</u>

(Unaudited but reviewed)

## 6. Investment in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Carrying amounts based					
	Paid-up capital		Shareholding percentage		on cost method	
	30 September 2017	31 December 2016	30 September 2017 (percent)	31 December 2016 (percent)	30 September 2017	31 December 2016 (Audited)
Lavish Laboratory Company Limited	50,000	33,000	99.99	99.99	49,795	32,800
Ligit Company Limited	5,000	5,000	99.99	99.99	4,999	4,999
Total investment in subsidiaries					<u>54,794</u>	<u>37,799</u>

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 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) during the current period.

## 7. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2017</b>	114,219	98,936
Acquisitions during period - at cost	82,098	75,762
Depreciation for the period	(7,059)	(5,539)
Disposal during period - net book value of disposal date	(5)	(5)
<b>Net book value as at 30 September 2017</b>	<u>189,253</u>	<u>169,154</u>

As at 30 September 2017, the Company has vehicle under hire purchase agreements with net book value amounting to approximately Baht 4.9 million (31 December 2016: approximately Baht 6.5 million).

(Unaudited but reviewed)

## 8. Intangible assets

Movement of the intangible assets accounts during the nine-month period ended 30 September 2017 in the consolidated financial statement are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Net book value as at 1 January 2017</b>	3,254
Amortisation for the period	(320)
<b>Net book value as at 30 September 2017</b>	<b>2,934</b>

## 9. Trust receipts

		(Unit: Thousand Baht)				
		Consolidated		Separate		
Interest rate		financial statements		financial statements		
30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	
(percent per annum)		(Audited)		(Audited)		
Trust receipts	Market rate plus / minus stipulated margin	Market rate plus / minus stipulated margin	169,187	194,055	169,187	194,055
Total			169,187	194,055	169,187	194,055

As at 30 September 2017, the non-secured short-term credit facilities of the Company which have not yet been drawn down amounted to approximately Baht 915 million (31 December 2016: Baht 969 million).

## 10. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)	
Trade payables - related parties (Note 2)		4,156	1,875	7,570	3,483
Trade payables - unrelated parties		55,348	43,389	55,294	43,283
Other payables - related parties (Note 2)		61	160	61	160
Other payables - unrelated parties		1,125	1,224	704	1,069
Accrued expenses		8,732	10,522	8,308	10,378
Total trade and other payables		<b>69,422</b>	<b>57,170</b>	<b>71,937</b>	<b>58,373</b>

**11. Provision for long-term employee benefits**

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2017</b>	7,485	7,485
Add: Addition during the period	935	935
<b>Balance as at 30 September 2017</b>	<u>8,420</u>	<u>8,420</u>

**12. Income tax**

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	6,959	6,854	6,959	6,854
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(76)	(12)	(76)	(12)
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>6,883</u>	<u>6,842</u>	<u>6,883</u>	<u>6,842</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	20,900	20,884	20,900	20,884
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(150)	(35)	(150)	(35)
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>20,750</u>	<u>20,849</u>	<u>20,750</u>	<u>20,849</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to (loss) gain on change in value of available-for-sale investments	48	(118)	48	(118)
Total	48	(118)	48	(118)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to (loss) gain on change in value of available-for-sale investments	(5,901)	1,495	(5,901)	1,495
Total	(5,901)	1,495	(5,901)	1,495

### 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.

As at 30 September 2017, 133,879,174 warrants have not been exercised.

As at 31 October 2017, the Company received subscriptions of Baht 2 per share for the additional ordinary shares arising from the exercise of 21,583,195 warrants (GIFT-W1), for a total of Baht 43,166,390.

**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 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	29,842	27,686	320,149	302,687	0.09	0.09
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (GIFT-W1)			89,420	70,498		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	29,842	27,686	409,569	373,185	0.07	0.07

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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>27,851</u>	<u>28,272</u>	320,149	302,687	<u>0.09</u>	<u>0.09</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (GIFT-W1)		<u>89,420</u>	<u>70,498</u>			
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>27,851</u>	<u>28,272</u>	<u>409,569</u>	<u>373,185</u>	<u>0.07</u>	<u>0.08</u>

Consolidated financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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>83,903</u>	<u>80,447</u>	320,149	302,687	<u>0.26</u>	<u>0.27</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (GIFT-W1)		<u>88,259</u>	<u>66,167</u>			
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>83,903</u>	<u>80,447</u>	<u>408,408</u>	<u>368,854</u>	<u>0.21</u>	<u>0.22</u>

(Unaudited but reviewed)

Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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>82,160</u>	<u>82,480</u>	320,149	302,687	<u>0.26</u>	<u>0.27</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (GIFT-W1)		<u>88,259</u>	<u>66,167</u>			
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>82,160</u>	<u>82,480</u>	<u>408,408</u>	<u>368,854</u>	<u>0.20</u>	<u>0.22</u>

## 15. Segment information

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

## 16. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 19 April 2016	<u>21.19</u>	<u>0.07</u>
Final dividends for 2016	Annual General Meeting of the shareholders on 18 April 2017	<u>40.86</u>	<u>0.14</u>

## 17. Commitments and contingent liabilities

### 17.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of warehouse and service agreements. The terms of the agreements are between 1 and 3 years. As at 30 September 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	
	<u>30 September 2017</u>	<u>31 December 2016</u>
Payable within:		
In up to 1 year	3	3

### 17.2 Bank guarantees

As at 30 September 2017, there were outstanding bank guarantees of Baht 11 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 September 2017, the balances of financial liabilities denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 30 September 2017</u>
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.59	33.3684
Euro	0.18	39.3113

As at 30 September 2017, the outstanding of forward exchange contracts of the Company are summarised below.

<u>Foreign currency</u>	<u>Bought amount</u>	<u>Contractual exchange rate Bought</u>	<u>Contractual maturity date</u>
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.49	33.0400 - 33.9560	October 2017 - April 2018
Euro	0.08	39.2900 - 39.3900	October 2017 - April 2018

**19. Fair value of financial instruments**

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

Fair value hierarchy

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

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

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

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

As of 30 September 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
<b>Assets measured at fair value</b>				
Available-for-sale investments (Note 5)	82.6	-	-	82.6

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 November 2017.