



บริษัท ขลประทานซีเมนต์ จำกัด (มหาชน)  
**Jalapathan Cement**  
Public Company Limited



# รายงานประจำปี 2558 / 2015

## ANNUAL REPORT



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## ANNUAL REPORT 2015



บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)  
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Public Company Limited

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# Message from the Chairman

## Jalaprathan Cement Public Co., Ltd.



In 2015, the total demand for cement in Thailand was approximately at 34.56 million tons which had decreased 1 percent compared to 2014. The total revenue of the Company was 3,100 million Baht, decreasing by 3.9 percent and the total net profit was 371 million Baht, decreasing by 2.3 percent.

In 2015, the cement plant in Cha-am, Petchaburi Province was awarded with the “Green Mining” from the Department of Primary Industries and Mines, Ministry of Industry which shows the Company’s capabilities in environmental management and social responsibilities.

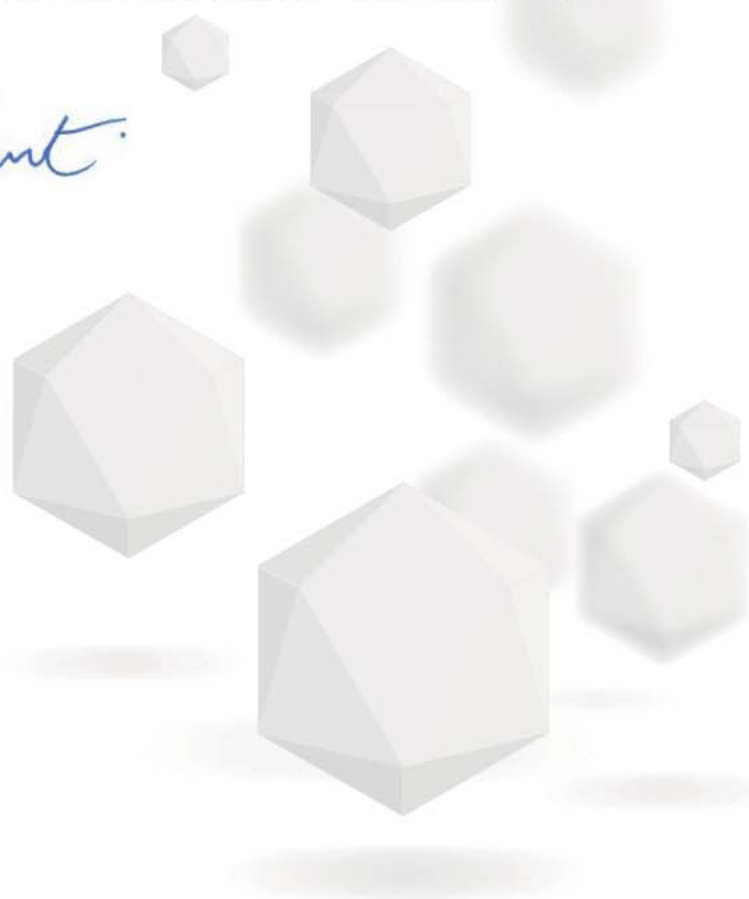
In addition, both the Takli and Cha-am Plants had organized various activities in accordance with the sustainable development policy of the Company namely giving the “Golden Naga Scholarship”, lunch funds, and sport equipments to children in schools situated near the plants and further away in Nongplub, Prachuap Khirikhan Province. Furthermore, the Company had also set up mobile health units.

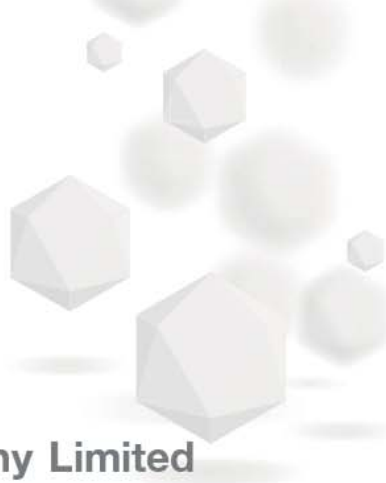
To celebrate the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn’s 60<sup>th</sup> Birthday Anniversary in 2015, the Company had installed 4.5-10 kW on-grid solar PV rooftops in schools situated around the plants. The main objective of the project is to be the learning center of renewable energy for the community. Schools are able to reduce their electricity bills by 60-70%, thus allowing the schools to allocate more of their budget for student’s development program.

On behalf of the Company, I would like to express my sincere gratitude to our customers, stakeholders, employees and the management team who continuously provide the Company with great support.

*Gen. A. Karnasuta*

(Gen. Ayupoon Karnasuta)  
Chairman of the Board





# Board of Directors

Jalaprathan Cement Public Company Limited

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## Board of Directors

As of 31 December 2015

### Chairman

General Ayupoon Karnasuta

### Directors

Police General Suthep Dhamaraks

Mr. Giovanni Maggiora

Mr. Agostino Nuzzolo

Mr. Rapee Sukhyanga

Mr. Roberto Callieri

Managing Director

Mr. Nopadol Ramyarupa

Managing Director



## 1. Basic Information of the Company

<b>Company:</b>	<b>Jalaprathan Cement Public Company Limited</b>
<b>Establishment:</b>	<b>September 12, 1956</b>
<b>Head Office:</b>	<b>23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok</b>
<b>Plant:</b>	<b>Jalaprathan Cement Takli 1 Jalaprathan Cement Road, Tambon Takli, Amphur Takli, Nakonsawan Province Jalaprathan Cement Cha-am 1 Jalaprathan Cement Road, Tambon Cha-am, Amphur Cha-am, Petchburi Province</b>
<b>Type of Business:</b>	<b>Cement Production and Sale</b>
<b>Registration No.:</b>	<b>0107537001676 (Previous No. Bor Mor Jor. 414)</b>
<b>Registered Capital in the Beginning:</b>	
<b>Registered Capital</b>	<b>Baht 60,000,000</b>
<b>Paid up Capital</b>	<b>Baht 60,000,000 comprising common share of 60,000 shares</b>
<b>Par Value</b>	<b>Common Share, Baht 1,000 per share</b>
<b>Registered Capital in the Present Year:</b>	
<b>Registered Capital</b>	<b>Baht 1,200,000,000</b>
<b>Paid up Capital</b>	<b>Baht 1,200,000,000 comprising common share of 120,000,000 shares</b>
<b>Par Value</b>	<b>Common Share, Baht 10 per share</b>

## 2. Information of Subsidiaries (The Company holds shares for more than 50 %.)

**2.1 Jalaprathan Concrete Company Limited: Common Shares amounting to 2,799,810 shares which equals to 99.99%.**

**Head Office Location: 23/124 Soi Soonvijai, Rama 9 Road, Kwaeng Bnngkapi, Khet Huaykwang, Bangkok**

**Type of Business: Ready-mixed Concrete Production and Sale**

**2.2 Naga Property Company Limited: Common Shares amounting to 999,995 shares which equals to 99.99%.**

**Head Office Location: 23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok**

**Type of Business: Real Estate Lease**

**3. Currently, the Company does not hold shares in other companies or private enterprises for more than 10%.**

**4. The Company's Board of Directors does not share interests on any contracts being made by the Company during the accounting period.**

**5. The list of all Board of Directors of the Company and share holding by Directors in the Company and subsidiaries in current accounting period and past accounting period is increasing or decreasing as follows:**

**5.1 The holding of Board of Directors in Jalapathan Cement Public Company Limited:**

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. General Ayupoon Karnasuta	No	No	No
2. Mr. Rapee Sukhyanga	No	No	No
3. Mr. Giovanni Maggiora	No	No	No
4. Police General Suthep Dhamaraks	No	No	No
5. Mr. Agostino Nuzzolo	No	No	No
6. Mr. Nopadol Ramyarupa	No	No	No
7. Mr. Roberto Callieri	No	No	No

**5.2 The holding of Board of Directors in a subsidiary, that is, Jalapathan Concrete Company Limited is as follows:**

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Rapee Sukhyanga	No	No	No
2. Mr. Roberto Callieri	No	No	No
3. Mr. Nopadol Ramyarupa	No	No	No

**5.3 The holding of Board of Directors in a subsidiary, that is, Naga Property Company Limited is as follows:**

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Rapee Sukhyanga	No	No	No
2. Mr. Roberto Callieri	No	No	No
3. Mr. Nopadol Ramyarupa	No	No	No

## 6. The remuneration of Board of Directors paid in 2015

Name of Director	Remuneration (Baht)
1. General Ayupoon Karnasuta	1,448,000
2. Mr. Rapee Sukhyanga	188,000
3. Mr. Giovanni Maggiora	180,000
4. Police General Suthep Dhamaraks	188,000
5. Mr. Agostino Nuzzolo	135,000
Mr. Goran Leopold Seifert	45,000
6. Mr. Roberto Callieri	180,000
7. Mr. Nopadol Ramyarupa	188,000
<b>Total (Baht)</b>	<b>2,552,000</b>

**Remark:** Pursuant to the resolution of the Annual General Shareholders Meeting for the year 2015 dated 3 April 2015, the meeting's resolution has appointed Mr. Agostino Nuzzolo as a Director in place of Mr. Goran Leopold Seifert.



## **Independent Auditor's Report**

To the Shareholders of Jalapathan Cement Public Company Limited

I have audited the accompanying consolidated financial statements of Jalapathan Cement Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Jalapathan Cement Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jalapathan Cement Public Company Limited and its subsidiaries, and of Jalapathan Cement Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Termphong Opanaphan  
Certified Public Accountant (Thailand) No. 4501

EY Office Limited  
Bangkok: 16 February 2016

# Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6, 7	407,115,174	214,545,403	166,532,269	160,092,470
Trade and other receivables	8	613,017,031	663,552,701	424,351,546	428,444,728
Inventories	9	506,120,727	546,188,199	503,322,291	542,558,283
Input tax refundable		11,030,502	14,977,273	6,144,749	10,702,049
Other current assets		6,993,116	6,485,918	4,191,179	4,009,836
<b>Total current assets</b>		<u>1,544,276,550</u>	<u>1,445,749,494</u>	<u>1,104,542,034</u>	<u>1,145,807,366</u>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	286,241,767	286,241,767
Investment property	11	-	99,765,000	-	-
Property, plant and equipment	12	2,282,275,066	2,303,140,615	2,237,242,156	2,263,667,617
Deferred tax assets	13	92,722,372	77,155,679	84,256,041	57,730,052
Other non-current assets		4,114,791	4,280,835	1,538,021	1,684,775
<b>Total non-current assets</b>		<u>2,379,112,229</u>	<u>2,484,342,129</u>	<u>2,609,277,985</u>	<u>2,609,324,211</u>
<b>Total assets</b>		<u>3,923,388,779</u>	<u>3,930,091,623</u>	<u>3,713,820,019</u>	<u>3,755,131,577</u>

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	14	130,000,000	280,000,000	130,000,000	280,000,000
Trade and other payables	15	693,711,427	801,122,036	507,455,029	617,385,915
Current portion of long-term loans from related parties	7	165,000,000	499,236,474	223,500,000	557,736,474
Income tax payable		2,137,493	5,111,954	-	-
Other current liabilities		9,182,615	13,361,259	8,317,388	12,423,055
<b>Total current liabilities</b>		<b>1,000,031,535</b>	<b>1,598,831,723</b>	<b>869,272,417</b>	<b>1,467,545,444</b>
<b>Non-current liabilities</b>					
Long-term loans from related parties - net					
of current portion	7	215,000,000	-	215,000,000	-
Provision for long-term employee benefits	16	62,863,409	52,670,857	33,729,004	27,200,311
Long-term provisions		3,969,838	3,015,002	3,969,838	3,015,002
Deferred tax liabilities	13	240,197,136	239,974,281	240,197,136	239,974,281
<b>Total non-current liabilities</b>		<b>522,030,383</b>	<b>295,660,140</b>	<b>492,895,978</b>	<b>270,189,594</b>
<b>Total liabilities</b>		<b>1,522,061,918</b>	<b>1,894,491,863</b>	<b>1,362,168,395</b>	<b>1,737,735,038</b>

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

Jalprathan Cement Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
120,000,000 ordinary shares of Baht 10 each		<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued and fully paid					
120,000,000 ordinary shares of Baht 10 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Share premium		973,768,690	973,768,690	973,768,690	973,768,690
Retained earnings					
Appropriated					
Statutory reserve	17	54,026,280	54,026,280	54,026,280	54,026,280
Other reserve	18	122,000,000	122,000,000	122,000,000	122,000,000
Unappropriated (deficit)		(901,808,733)	(1,267,537,385)	(951,461,607)	(1,285,716,692)
Other components of shareholders' equity	19	<u>953,318,261</u>	<u>953,318,261</u>	<u>953,318,261</u>	<u>953,318,261</u>
Equity attributable to owners of the Company		2,401,304,498	2,035,575,846	2,351,651,624	2,017,396,539
Non-controlling interests of the subsidiaries		<u>22,363</u>	<u>23,914</u>	-	-
<b>Total shareholders' equity</b>		<u>2,401,326,861</u>	<u>2,035,599,760</u>	<u>2,351,651,624</u>	<u>2,017,396,539</u>
<b>Total liabilities and shareholders' equity</b>		<u>3,923,388,779</u>	<u>3,930,091,623</u>	<u>3,713,820,019</u>	<u>3,755,131,577</u>

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		2,967,378,866	3,192,154,375	2,377,804,272	2,451,005,720
Interest income		2,291,232	1,451,578	605,212	716,553
Gains on sales of assets		98,707,099	672,445	-	66,932,792
Dividends income	10	-	-	47,596,770	-
Other income		31,146,161	30,922,145	29,255,407	28,891,794
<b>Total revenues</b>		<b>3,099,523,358</b>	<b>3,225,200,543</b>	<b>2,455,261,661</b>	<b>2,547,546,859</b>
<b>Expenses</b>					
Cost of sales		2,597,548,873	2,732,218,359	2,046,149,413	2,069,734,188
Selling expenses		53,219	158,086	53,219	158,086
Administrative expenses		98,725,828	105,833,316	68,014,830	80,075,382
Allowance for doubtful accounts (reversal)		9,571,119	297,570	163,792	(410,441)
<b>Total expenses</b>		<b>2,705,899,039</b>	<b>2,838,507,331</b>	<b>2,114,381,254</b>	<b>2,149,557,215</b>
<b>Profit before finance cost and income tax expenses</b>		<b>393,624,319</b>	<b>386,693,212</b>	<b>340,880,407</b>	<b>397,989,644</b>
Finance cost		(27,522,076)	(50,288,883)	(27,806,599)	(57,285,986)
<b>Profit before income tax expenses</b>		<b>366,102,243</b>	<b>336,404,329</b>	<b>313,073,808</b>	<b>340,703,658</b>
Income tax income	13	5,105,422	43,646,493	25,252,843	42,789,081
<b>Profit for the year</b>		<b>371,207,665</b>	<b>380,050,822</b>	<b>338,326,651</b>	<b>383,492,739</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses arising from post-employment benefits, net of income tax	13, 16	(5,477,334)	(4,998,980)	(4,071,566)	(2,340,846)
<b>Other comprehensive income for the year</b>		<b>(5,477,334)</b>	<b>(4,998,980)</b>	<b>(4,071,566)</b>	<b>(2,340,846)</b>
<b>Total comprehensive income for the year</b>		<b>365,730,331</b>	<b>375,051,842</b>	<b>334,255,085</b>	<b>381,151,893</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		371,205,891	380,047,376	338,326,651	383,492,739
Non-controlling interests of the subsidiaries		1,774	3,446		
		<u>371,207,665</u>	<u>380,050,822</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		365,728,652	375,048,576	334,255,085	381,151,893
Non-controlling interests of the subsidiaries		1,679	3,266		
		<u>365,730,331</u>	<u>375,051,842</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	21	3.09	3.17	2.82	3.20

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

# Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated (deficit)	Other components of equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Appropriated - statutory reserve			Appropriated - other reserve	Other comprehensive income		Surplus on revaluation of land				
<b>Balance as at 1 January 2014</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,720,520,361)	1,031,252,661	1,660,527,270	20,648	1,660,547,918	
Profit for the year	-	-	-	-	380,047,376	-	380,047,376	3,446	380,050,822	
Other comprehensive income for the year	-	-	-	-	(4,998,800)	-	(4,998,800)	(180)	(4,998,980)	
Total comprehensive income for the year	-	-	-	-	375,048,576	-	375,048,576	3,266	375,051,842	
Reversal revaluation surplus on land as a result of disposal	-	-	-	-	77,934,400	(77,934,400)	-	-	-	
<b>Balance as at 31 December 2014</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,267,537,385)	953,318,261	2,035,575,846	23,914	2,035,599,760	
<b>Balance as at 1 January 2015</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,267,537,385)	953,318,261	2,035,575,846	23,914	2,035,599,760	
Profit for the year	-	-	-	-	371,205,891	-	371,205,891	1,774	371,207,665	
Other comprehensive income for the year	-	-	-	-	(5,477,239)	-	(5,477,239)	(95)	(5,477,334)	
Total comprehensive income for the year	-	-	-	-	365,728,652	-	365,728,652	1,679	365,730,331	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	(3,230)	(3,230)	
<b>Balance as at 31 December 2015</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(901,808,733)	953,318,261	2,401,304,498	22,363	2,401,326,861	

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total comprehensive income	
			Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated (deficit)	Surplus on revaluation of land		
<b>Balance as at 1 January 2014</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,744,802,985)	1,031,252,661	1,636,244,646	
Profit for the year	-	-	-	-	383,492,739	-	383,492,739	
Other comprehensive income for the year	-	-	-	-	(2,340,846)	-	(2,340,846)	
Total comprehensive income for the year	-	-	-	-	381,151,893	-	381,151,893	
Reversal revaluation surplus on land as a result of disposal	-	-	-	-	77,934,400	(77,934,400)	-	
<b>Balance as at 31 December 2014</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,285,716,692)	953,318,261	2,017,396,539	
<b>Balance as at 1 January 2015</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,285,716,692)	953,318,261	2,017,396,539	
Profit for the year	-	-	-	-	338,326,651	-	338,326,651	
Other comprehensive income for the year	-	-	-	-	(4,071,566)	-	(4,071,566)	
Total comprehensive income for the year	-	-	-	-	334,255,085	-	334,255,085	
<b>Balance as at 31 December 2015</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(951,461,607)	953,318,261	2,351,651,624	

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



# Jalaprathan Cement Public Company Limited and its subsidiaries

## Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>				
Profit before tax	366,102,243	336,404,329	313,073,808	340,703,658
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation	168,108,883	162,594,960	158,292,386	152,311,787
Allowance for doubtful accounts (reversal)	9,571,119	(125,037)	163,792	(410,441)
Reversal decrease of inventory to net realisable value	(4,968,498)	(10,468,846)	(4,968,498)	(10,468,846)
Reversal allowance for impairment loss on assets	(1,123,200)	(3,578,093)	(1,123,200)	(3,578,093)
Provision for long-term employee benefits	3,804,385	3,684,026	1,897,736	1,876,538
Long-term provisions	2,078,000	750,000	2,078,000	750,000
Written off bad debts	-	431,114	-	-
Written off assets	-	108,759	-	-
Gains on sales of investment property	(100,235,000)	-	-	-
(Gains) losses on sales of plant and equipment	1,527,901	(672,445)	1,651,996	(66,932,791)
Dividend income from a subsidiary	-	-	(47,596,770)	-
Unrealised (gains) losses on exchange	110,453	(14,008,700)	110,453	(14,008,700)
Interest income	(1,205,334)	(88,307)	-	-
Interest expenses	19,569,980	39,537,367	21,696,503	48,361,170
Income from operating activities before changes in operating assets and liabilities	463,340,932	514,569,127	445,276,206	448,604,282
Operating assets (increase) decrease				
Trade and other receivables	40,964,551	(10,329,054)	3,929,390	18,891,209
Inventories	31,794,582	(33,172,066)	30,963,102	(33,162,331)
Other current assets	3,254,195	(4,146,043)	3,701,378	(2,938,891)
Other non-current assets	166,044	(1,472,154)	146,754	(1,319,654)
Operating liabilities increase (decrease)				
Trade and other payables	(156,860,016)	118,692,118	(149,442,444)	135,340,886
Other current liabilities	(4,178,644)	6,902,575	(4,105,667)	4,895,587
Provision for long-term employee benefits	(458,500)	-	(458,500)	-
Long-term provisions	(1,123,164)	(797,043)	(1,123,164)	(797,043)
Cash from operating activities	376,899,980	590,247,460	328,887,055	569,514,045
Cash receipt from previous year income tax	674,579	309,654	674,579	309,654
Cash paid for income tax	(11,843,542)	(23,377,408)	(32,398)	(1,715,586)
<b>Net cash from operating activities</b>	<b>365,731,017</b>	<b>567,179,706</b>	<b>329,529,236</b>	<b>568,108,113</b>

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

# Jalaprathan Cement Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from investing activities</b>				
Acquisition of plant and equipment	(85,588,684)	(78,643,543)	(79,437,197)	(71,943,352)
Proceeds from sales of investment property	200,000,000	-	-	-
Proceeds from sales of plant and equipment	2,842,355	349,941	2,488,355	306,581
Dividend income from a subsidiary	-	-	47,596,770	-
Interest income	716,133	74,564	-	-
<b>Net cash from (used in) investing activities</b>	<u>117,969,804</u>	<u>(78,219,038)</u>	<u>(29,352,072)</u>	<u>(71,636,771)</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institution	(150,000,000)	(70,000,000)	(150,000,000)	(70,000,000)
Cash receipt from long-term loans from related parties	380,000,000	-	380,000,000	-
Repayment of long-term loans from related parties	(499,236,474)	(300,000,000)	(499,236,474)	(300,000,000)
Dividend paid to non-controlling interests	(3,230)	-	-	-
Interest expenses	(21,891,346)	(46,306,750)	(24,500,891)	(55,345,269)
<b>Net cash used in financing activities</b>	<u>(291,131,050)</u>	<u>(416,306,750)</u>	<u>(293,737,365)</u>	<u>(425,345,269)</u>
<b>Net increase in cash and cash equivalents</b>	192,569,771	72,653,918	6,439,799	71,126,073
Cash and cash equivalents at beginning of year	214,545,403	141,891,485	160,092,470	88,966,397
<b>Cash and cash equivalents at end of year</b>	<u>407,115,174</u>	<u>214,545,403</u>	<u>166,532,269</u>	<u>160,092,470</u>
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	51,660,318	28,472,559	42,205,491	17,577,508
Transferred cement and spare parts to construction in progress during the year	13,241,388	20,674,608	13,241,388	20,674,608
Transferred land to investment property	-	99,765,000	-	-
Loan repayment to a related company in the form of investment property	-	-	-	166,500,000
Sales of equipment for which no cash has been receipt	-	341,900	-	-

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

# Jalaprathan Cement Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

For the year ended 31 December 2015

### 1. General information

Jalaprathan Cement Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Asia Cement Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of cement. The registered offices of the Company are as follows:

Head office: 23/124-128 Soi Soonvijai Rama 9 Road, Bangkapi, Huaykwang, Bangkok.

Takli plant: 1 Jalaprathan Cement Road, Tambol Takli, Amphur Takli, Nakornsawan.

Cha-Am plant: 1 Jalaprathan Cement Road, Tambol Cha-Am, Amphur Cha-Am, Petchaburi.

In January 2009, the Company suspended clinker production at Cha-Am and Takli plants and recorded impairment loss on buildings, machines, equipment and spare parts related to those productions in its accounts. Consequently in 2011, the Company operated clinker production at normal capacity at Cha-Am plant. The Company’s management therefore decided to reverse the impairment loss recorded for buildings, machines and equipment related to clinker production at Cha-Am plant.

As at 31 December 2015, the Company maintain the impairment loss on buildings, machines, equipment and spare parts related to clinker production at Takli plant same as recorded in 2009, eventhough it produced clinker in year 2013 but not at normal production capacity.

As at 31 December 2015, the Company had deficit of Baht 951 million (2014: Baht 1,286 million). However, the Company continues to receive financial support from its parent company. In addition, the Company’s management had reoriented the Company and change the production plan in order to obtain the production costs which can be compete in the market.

## 2. Basis of preparation

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

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

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

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jalapraphan Cement Public Company Limited (“the Company”) and two subsidiaries (“the subsidiaries”) which are incorporated in Thailand. These are detailed below.

Company's name	Nature of business	Percentage of shareholding	
		<u>2015</u>	<u>2014</u>
		%	%
Jalapraphan Concrete Co., Ltd.	Manufacturing of ready-mixed concrete	99.99	99.99
Naga Property Co., Ltd.	Ceased its operation	100.00	100.00

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

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

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

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

##### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

##### *Sales of goods*

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

##### *Rental income*

Rental income is recognised over the term of the lease, on an accrual basis.

##### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

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

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

#### **4.3 Trade accounts receivable**

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

#### **4.4 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Spare parts and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

#### **4.5 Investments**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

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

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

#### **4.6 Investment property**

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less allowance for loss on impairment (if any).

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.7 Property, plant and equipment/Depreciation**

Land is stated at revalued amount less allowance for loss on impairment of assets.

Quarries cost is stated at cost less accumulated depletion and allowance for loss on impairment of assets (if any).

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets.

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values, by using Market Approach. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.



Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation of land". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of land" in respect of the same asset.

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

Buildings and structures	-	5 - 30 years
Machinery, tools and equipment	-	5 - 30 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

In certain cases the Company owns quarries from which it extracts its raw materials. In these cases the stated value includes the purchase price of the land and any improvement costs. When not owned, the quarries costs represent the improvement costs, survey and replantation costs.

The depletion rate for the year is determined by the ratio between the actual units of resources extracted for the year and total number of units extractable from the quarries.

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

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

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

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

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

#### **4.10 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

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

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, and investment property whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.12 Employee benefits**

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

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

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

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

#### **4.13 Provisions**

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

#### **4.14 Income tax**

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

##### *Current tax*

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

##### *Deferred Tax*

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

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

At the end of each reporting period, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

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

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

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

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

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

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

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

#### **5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

##### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Allowance for diminution in value of inventory**

In determining an allowance for diminution in value of inventory, the management makes judgment and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

**Property plant and equipment, and investment property/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 12 to the financial statements.

In addition, the management is required to review property, plant and equipment, and investment property for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank deposits	407,115	214,545	166,532	160,092
Total	<u>407,115</u>	<u>214,545</u>	<u>166,532</u>	<u>160,092</u>

As at 31 December 2015, bank deposits in saving accounts and fixed accounts carried interests at the rate 0.37 - 1.28 percent per annum (2014: 0.25 - 0.50 percent per annum) (Separate financial statements: 0.37 percent per annum (2014: 0.25 - 0.50 percent per annum)).

## 7. Related party transactions

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Transactions with parent company</u></b>				
Sales of goods	48	70	47	70
Purchases of goods	380	477	239	301
Management fee	67	72	64	68
Penalty due to failure to buy goods in the amount specified in the agreement	-	40	-	40
Interest expenses	1	15	1	15

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>

**Transactions with subsidiaries**

(eliminated from the consolidated financial statements)

Sales of goods	-	-	34	58
Interest expenses	-	-	2	9

**Transactions with related companies**

Sales of goods and raw materials	40	36	2	2
Purchases of goods	37	30	21	19
Technical fee	5	5	5	5
Management fee	13	17	1	1
Interest expenses	16	22	16	22

The balances of accounts as at 31 December 2015 and 2014 between the Company, its subsidiaries and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>

**Bank deposits with related party**

Related financial institution (related by common shareholders)	199,453	27,225	5,557	19,392
Total bank deposits with related party	<u>199,453</u>	<u>27,225</u>	<u>5,557</u>	<u>19,392</u>

**Trade and other receivables - related parties (Note 8)**

Parent company	39,726	34,563	39,700	34,542
Subsidiary	-	-	6,283	7,364
Related companies (related by common shareholders)	34,608	26,206	1,777	-
Total trade and other receivables - related parties	<u>74,334</u>	<u>60,769</u>	<u>47,760</u>	<u>41,906</u>

**Short-term loans from related party (Note 14)**

Related financial institution (related by common shareholders)	130,000	100,000	130,000	100,000
Total short-term loans from related party	<u>130,000</u>	<u>100,000</u>	<u>130,000</u>	<u>100,000</u>

**Trade and other payables - related parties (Note 15)**

Parent company	138,535	278,202	114,312	249,909
Subsidiary	-	55,086	7,396	7,199
Related companies (related by common shareholders)	75,914	3,686	8,235	3,686
Total trade and other payables - related parties	<u>214,449</u>	<u>336,974</u>	<u>129,943</u>	<u>260,794</u>



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Long-term loans from related parties</u></b>				
Parent company	380,000	-	380,000	-
Subsidiary	-	-	58,500	58,500
Related companies (related by common shareholders)	-	499,236	-	499,236
Total	380,000	499,236	438,500	557,736
Less: portion due within one year	(165,000)	(499,236)	(223,500)	(557,736)
Long-term loans from related parties - net of current portion	215,000	-	215,000	-

#### **Long-term loan from Jalapathan Concrete Co., Ltd. (subsidiary)**

The outstanding balances represented unsecured promissory notes amounting to Baht 58.5 million, maturing on 29 December 2015. During 2015, both parties agree to extend the repayment schedule which the subsidiary issued the new promissory notes dated 29 December 2015 amounting to Baht 58.50 million, maturing on 29 December 2016.

Interest on this loan is payable on a quarterly basis at a rate equal to the average three-month fixed deposit of three local banks plus 2.5 percent per annum.

#### **Long-term loans from related companies**

The outstanding balances as at 31 December 2014 consisted of unsecured loans of Euro 2.8 million and Baht 386 million

The Euro 2.8 million loan was acquired to settle the unpaid technical fee with CTG S.p.A., Italy, a fellow subsidiary. The loan bears interest at the EURIBOR three months rate plus 0.5 percent per annum. Interest is repayable on a quarterly basis while the loan principal matures on 15 December 2011 or as agreed by the parties. Both parties may agree to extend the repayment schedule from the original maturity date.

The second loan of Baht 386 million was acquired to pay for management and technical services from Ciments Francais S.A., France. The loan bears interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 2.5 percent per annum and due on 31 October 2014. During 2014, both parties agree to extend the repayment schedule by due on October 2015.

During 2015, the Company repay all of the loan and interest.

### **Long-term loans from Asia Cement Plc. (Parent company)**

The outstanding balances as at 31 December 2015 represented unsecured loan of Baht 380 million carrying interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 1.0 percent per annum. The loan and interest are repayable on a quarterly basis within 2017.

### **Directors and management's benefits**

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	2.6	2.6	2.6	2.6

## **8. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	21,096	21,202	19,184	23,133
Past due				
Up to 3 months	11,064	9,862	-	-
3 - 6 months	10,284	8,405	-	-
6 - 12 months	2,816	2,323	-	-
Total trade receivables - related parties	<u>45,260</u>	<u>41,792</u>	<u>19,184</u>	<u>23,133</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	409,546	452,386	305,143	313,009
Past due				
Up to 3 months	94,452	121,276	65,015	68,619
3 - 6 months	9,185	8,047	4,718	1,441
6 - 12 months	15,750	1,927	991	70
Over 12 months	14,051	7,677	4,731	4,554
Total	542,984	591,313	380,598	387,693
Less: Allowance for doubtful accounts	(18,124)	(8,553)	(4,927)	(4,763)
Total trade receivables - unrelated parties, net	524,860	582,760	375,671	382,930
Total trade receivables - net	570,120	624,552	394,855	406,063
<u>Other receivables</u>				
Other receivables - related parties	29,074	18,977	28,576	18,773
Other receivables - unrelated parties	13,823	20,024	921	3,609
Total other receivables	42,897	39,001	29,497	22,382
Total trade and other receivables - net	613,017	663,553	424,352	428,445

Approximately Baht 6 million of the subsidiary's trade accounts receivables as at 31 December 2014 was factoring with recourse to a bank. The amount received from factoring has been recorded as a secured liability under the caption of "Trade and other payables" in the statement of financial position.

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	43,583	43,990	-	-	43,583	43,990
Work in process	49,213	30,816	-	-	49,213	30,816
Clinker	69,144	158,540	(2,000)	(2,000)	67,144	156,540
Raw materials	192,521	198,965	(4,005)	(4,005)	188,516	194,960
Spare parts and supplies	285,504	264,864	(140,013)	(144,982)	145,491	119,882
Goods in transit	12,174	-	-	-	12,174	-
<b>Total</b>	<b>652,139</b>	<b>697,175</b>	<b>(146,018)</b>	<b>(150,987)</b>	<b>506,121</b>	<b>546,188</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	43,583	43,990	-	-	43,583	43,990
Work in process	49,213	30,816	-	-	49,213	30,816
Clinker	69,144	158,540	(2,000)	(2,000)	67,144	156,540
Raw materials	189,722	195,335	(4,005)	(4,005)	185,717	191,330
Spare parts and supplies	285,504	264,864	(140,013)	(144,982)	145,491	119,882
Goods in transit	12,174	-	-	-	12,174	-
<b>Total</b>	<b>649,340</b>	<b>693,545</b>	<b>(146,018)</b>	<b>(150,987)</b>	<b>503,322</b>	<b>542,558</b>

During the current year, the Company reduced cost of inventories by Baht 4 million (2014: Baht 20 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 9 million (2014: Baht 30 million) and reduced the amount of inventories recognised as expenses during the year.

As described in Note 1 to the financial statements, as at 31 December 2015, the Company maintain the impairment of spare parts of machines related to clinker production at Takli plant amounting to Baht 27 million (2014: Baht 34 million).

## 10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2015	2014	2015	2014	2015	2014
			(%)	(%)		
Jalaprathan Concrete Co., Ltd.	280,000	280,000	99.99	99.99	279,981	279,981
Naga Property Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000
Total					379,981	379,981
Less: Allowance for impairment loss of investments					(93,739)	(93,739)
Investments in subsidiaries - net					286,242	286,242

The Company had dividend received from Jalaprathan Concrete Co., Ltd. during 2015 amounting to Baht 48 million.

## 11. Investment property

Investment property of the subsidiary is land awaiting sale as presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	99,765	-	-	-
Transfer from land account	-	99,765	-	99,765
Disposals - net book value	(99,765)	-	-	(99,765)
Net book value at end of year	-	99,765	-	-

As at 31 December 2014, the fair value of land was Baht 153 million, which was appraised by an accredited independent value using the market approach.

During the year 2015, the subsidiary sold such land to a non-related company amounting to Baht 200 million and recognised gains on the sales amounting to Baht 100 million in profit or loss.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements												
	Assets used in the operations					Unused assets but not classified as held for sale							
	Revaluation basis	Cost basis				Revaluation basis	Cost basis						
	Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
<b>Cost/revalued amount:</b>													
As at 1 January 2014	1,250,834	45,620	869,019	3,659,148	26,297	168,503	192,829	99,765	275,469	1,261,535	109,131	76,440	8,034,590
Additions	-	-	-	1,468	124	73	126,126	-	-	-	-	-	127,791
Disposals/write-off	-	-	(48,087)	(9,906)	(4,878)	(579)	-	-	-	-	-	-	(63,450)
Transfer between accounts	-	-	32,400	103,599	5,601	10,340	(151,940)	-	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	-	(99,765)	-	-	-	-	(99,765)
As at 31 December 2014	1,250,834	45,620	853,332	3,754,309	27,144	178,337	167,015	-	275,469	1,261,535	109,131	76,440	7,999,166
Additions	-	-	-	1,224	282	-	148,984	-	-	-	-	-	150,490
Disposals/write-off	-	-	(3,639)	(36,563)	(790)	(55,996)	(154)	-	-	(537)	-	-	(97,679)
Transfer between accounts	-	-	21,912	62,795	3,853	4,187	(92,747)	-	-	-	-	-	-
Transfer to assets used in the operations	-	-	-	1,123	-	17,204	-	-	-	-	(17,204)	(1,123)	-
As at 31 December 2015	1,250,834	45,620	871,605	3,782,888	30,489	143,732	223,098	-	275,469	1,260,998	91,927	75,317	8,051,977
<b>Accumulated depreciation:</b>													
As at 1 January 2014	-	6,483	701,114	2,894,372	24,335	152,773	-	-	151,709	643,221	102,791	-	4,676,798
Depreciation for the year	-	6	21,712	135,176	1,063	4,636	-	-	-	-	-	-	162,593
Depreciation on disposals/write-off	-	-	(47,978)	(9,885)	(4,877)	(579)	-	-	-	-	-	-	(63,319)
Reverse allowance for impairment loss	-	-	22,148	65,348	-	2,149	-	-	-	-	-	-	89,645
As at 31 December 2014	-	6,489	696,996	3,085,011	20,521	158,979	-	-	151,709	643,221	102,791	-	4,865,717
Depreciation for the year	-	57	23,358	137,650	1,943	5,101	-	-	-	-	-	-	168,109
Depreciation on disposals/write-off	-	-	(3,096)	(33,556)	(789)	(55,331)	-	-	-	(537)	-	-	(93,309)
Transfer to assets used in the operations	-	-	-	-	-	16,539	-	-	-	-	(16,539)	-	-
As at 31 December 2015	-	6,546	717,258	3,189,105	21,675	125,288	-	-	151,709	642,684	86,252	-	4,940,517

(Unit: Thousand Baht)

## Consolidated financial statements (continued)

	Assets used in the operations										Unused assets but not classified as held for sale				
	Cost basis										Revaluation basis				
	Land	Quarries cost	Buildings, leaseholds and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total		
<b>Allowance for impairment loss:</b>															
As at 1 January 2014	5,340	-	22,148	65,348	-	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532		
Decrease during the year	-	-	-	-	-	-	(3,579)	-	-	-	-	-	(3,579)		
Reverse allowance for impairment loss	-	-	(22,148)	(65,348)	-	(2,149)	-	-	-	-	-	-	(89,645)		
As at 31 December 2014	5,340	-	-	-	-	-	114	-	123,760	618,314	6,340	76,440	830,308		
Transfer to assets used in the operations	-	-	-	-	-	665	-	-	-	-	(665)	-	-		
Decrease during the year	-	-	-	-	-	-	-	-	-	-	-	(1,123)	(1,123)		
As at 31 December 2015	5,340	-	-	-	-	665	114	-	123,760	618,314	5,675	75,317	829,185		
<b>Net book value:</b>															
As at 31 December 2014	1,245,494	39,131	156,336	669,298	6,623	19,358	166,901	-	-	-	-	-	2,303,141		
As at 31 December 2015	1,245,494	39,074	154,347	593,783	8,814	17,779	222,984	-	-	-	-	-	2,282,275		
<b>Depreciation for the year</b>															
2014 (Baht 163 million included in manufacturing cost and the balance in administrative expenses)													162,593		
2015 (Baht 168 million included in manufacturing cost and the balance in administrative expenses)													168,109		

(Unit: Thousand Baht)

		Separate financial statements											
		Assets used in the operations					Unused assets but not classified as held for sale						
Revaluation basis		Cost basis					Revaluation basis						
		Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
<b>Cost/revalued amount:</b>													
	As at 1 January 2014	1,250,834	835,658	3,485,520	23,984	167,473	183,427	99,765	275,469	1,261,535	109,131	76,440	7,814,856
	Additions	-	-	1,468	124	73	108,531	-	-	-	-	-	110,196
	Disposals/write-off	-	(48,014)	(6,778)	(4,851)	(368)	-	(99,765)	-	-	-	-	(159,776)
	Transfer between accounts	-	28,224	97,571	1,580	10,340	(137,715)	-	-	-	-	-	-
	As at 31 December 2014	1,250,834	815,868	3,577,781	20,837	177,518	154,243	-	275,469	1,261,535	109,131	76,440	7,765,276
	Additions	-	-	1,224	282	-	133,378	-	-	-	-	-	134,884
	Disposals/write-off	-	(2,886)	(35,015)	(787)	(55,996)	-	-	-	(537)	-	-	(95,221)
	Transfer between accounts	-	11,158	58,608	2,008	4,187	(75,961)	-	-	-	-	-	-
	Transfer to assets used in the operations	-	-	1,123	-	17,204	-	-	-	-	(17,204)	(1,123)	-
	As at 31 December 2015	1,250,834	824,140	3,603,721	22,340	142,913	211,660	-	275,469	1,260,998	91,927	75,317	7,804,939
<b>Accumulated depreciation:</b>													
	As at 1 January 2014	-	673,780	2,737,030	22,488	151,742	-	-	151,709	643,221	102,791	-	4,489,244
	Depreciation for the year	6	18,699	128,260	709	4,637	-	-	-	-	-	-	152,311
	Depreciation on disposals /write-off	-	(47,905)	(6,776)	(4,851)	(368)	-	-	-	-	-	-	(59,900)
	Reverse allowance for impairment loss	-	22,148	65,348	-	2,149	-	-	-	-	-	-	89,645
	As at 31 December 2014	-	666,722	2,923,862	18,346	158,160	-	-	151,709	643,221	102,791	-	4,671,300
	Depreciation for the year	57	19,597	132,623	915	5,101	-	-	-	-	-	-	158,293
	Depreciation on disposals /write-off	-	(2,379)	(32,048)	(786)	(55,331)	-	-	-	(537)	-	-	(91,081)
	Transfer to assets used in the operations	-	-	-	-	16,539	-	-	-	-	(16,539)	-	-
	As at 31 December 2015	-	683,940	3,024,437	18,475	124,469	-	-	151,709	642,684	86,252	-	4,738,512



(Unit: Thousand Baht)

## Separate financial statements (continued)

Revaluation basis	Assets used in the operations										Unused assets but not classified as held for sale				
	Cost basis					Revaluation basis					Cost basis				
	Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total		
As at 1 January 2014	5,340	-	22,148	65,348	-	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532		
Decrease during the year	-	-	-	-	-	-	(3,573)	-	-	-	-	-	(3,579)		
Reverse allowance for impairment loss	-	-	(22,148)	(65,348)	-	(2,149)	-	-	-	-	-	-	(89,645)		
As at 31 December 2014	5,340	-	-	-	-	-	114	-	123,760	618,314	6,340	76,440	830,308		
Transfer to assets used in the operations	-	-	-	-	-	665	-	-	-	-	(665)	-	-		
Decrease during the year	-	-	-	-	-	-	-	-	-	-	-	(1,123)	(1,123)		
As at 31 December 2015	5,340	-	-	-	-	665	114	-	123,760	618,314	5,675	75,317	829,185		
<b>Net book value:</b>															
As at 31 December 2014	1,245,494	39,131	149,146	653,919	2,491	19,358	154,129	-	-	-	-	-	2,263,668		
As at 31 December 2015	1,245,494	39,074	140,200	579,284	3,865	17,779	211,546	-	-	-	-	-	2,237,242		
<b>Depreciation for the year</b>															
2014 (Baht 152 million included in manufacturing cost, and the balance in administrative expenses)													152,311		
2015 (Baht 158 million included in manufacturing cost, and the balance in administrative expenses)													158,293		

As described in Note 1 to the financial statements, as at 31 December 2015, the Company maintain the impairment of the assets related to clinker production at Takli plant amounted to Baht 823 million (2014: Baht 823 million).

Breakdown of land carried on the revaluation basis is as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	<u>2015</u>	<u>2014</u>
Original cost	59,186	59,186
Surplus from revaluation	1,191,648	1,191,648
Revalued amount	1,250,834	1,250,834
Less: Allowance for impairment loss	(5,340)	(5,340)
Net book value	<u>1,245,494</u>	<u>1,245,494</u>

As at 31 December 2015, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,512 million (2014: Baht 2,516 million) (Separate financial statements: Baht 2,376 million (2014: Baht 2,413 million)).

### 13. Income tax

13.1 Income tax income of the Company and its subsidiaries for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Current income tax:</b>				
Current income tax charge	8,836	13,134	-	-
Write-off of non-refundable withholding tax deducted at source	33	1	32	-
Total	<u>8,869</u>	<u>13,135</u>	<u>32</u>	<u>-</u>
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(13,974)	(56,781)	(25,285)	(42,789)
Total	<u>(13,974)</u>	<u>(56,781)</u>	<u>(25,285)</u>	<u>(42,789)</u>
Income tax income reported in the statement of comprehensive income	<u>(5,105)</u>	<u>(43,646)</u>	<u>(25,253)</u>	<u>(42,789)</u>

13.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax on actuarial losses arising from post-employment benefits	1,369	1,250	1,018	585
	<u>1,369</u>	<u>1,250</u>	<u>1,018</u>	<u>585</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	366,102	336,404	313,074	340,704
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiply by income tax rate	73,220	67,281	62,615	68,141
Deferred taxes assets which were not recognised during the year				
- Tax losses	(10,867)	(63,065)	(10,859)	(63,051)
Utilisation of previously unrecognised deferred tax assets				
- Allowance for diminution in value loss of inventories	(1,334)	(5,723)	(1,334)	(5,723)
- Allowance for impairment loss of assets	(14,844)	(15,182)	(14,844)	(15,182)
Previous year tax losses which were recognised as deferred tax assets during the year	(51,210)	(26,855)	(51,210)	(26,855)
Tax effect of non-deductible expenses	(103)	19,381	(9,653)	19,365
Tax effect of reversal revaluation surplus on land as a result of transfer to investment property/disposal	-	(19,484)	-	(19,484)
Write-off of non-refundable withholding tax deducted at source	33	1	32	-
Income tax income reported in the statement of comprehensive income	<u>(5,105)</u>	<u>(43,646)</u>	<u>(25,253)</u>	<u>(42,789)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	18,124	8,553	4,927	4,763
Allowance for diminution in value of inventories	119,117	117,413	119,117	117,413
Allowance for impairment loss of assets	860	1,983	860	1,983
Provision for quarry restoration costs	3,970	3,015	3,970	3,015
Provision for long-term employee benefits	62,863	52,671	33,729	27,200
Tax losses	256,049	134,276	256,049	134,276
Loss of asset damage from fire accident	2,629	-	2,629	-
Effect on elimination of intercompany transactions	-	67,868	-	-
	<u>463,612</u>	<u>385,779</u>	<u>421,281</u>	<u>288,650</u>
Application tax rates	20%	20%	20%	20%
Deferred tax assets	<u>92,722</u>	<u>77,156</u>	<u>84,256</u>	<u>57,730</u>
<b>Deferred tax liabilities</b>				
Depreciation from changing useful lives of assets	(9,338)	(8,223)	(9,338)	(8,223)
Surplus from revaluation of land	(1,191,648)	(1,191,648)	(1,191,648)	(1,191,648)
	<u>(1,200,986)</u>	<u>(1,199,871)</u>	<u>(1,200,986)</u>	<u>(1,199,871)</u>
Applicable tax rates	20%	20%	20%	20%
Deferred tax liabilities	<u>(240,197)</u>	<u>(239,974)</u>	<u>(240,197)</u>	<u>(239,974)</u>

13.5 As at 31 December 2015, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 507 million (2014: Baht 909 million) (Separate financial statements: Baht 462 million (2014: Baht 853 million)). No deferred tax assets have been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax loss are summarised as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
31 December 2015	-	188	-	178
31 December 2016	183	195	138	149
31 December 2017	118	118	118	118
	<u>301</u>	<u>501</u>	<u>256</u>	<u>445</u>

#### 14. Short-term loans from financial institution

As at 31 December 2015, the Company has unsecured loan from a local commercial bank, related financial institution, amounting to Baht 130 million (2014: Baht 100 million), bearing interest at a rate of 2.40 percent per annum (2014: 2.65 percent per annum).

In addition, as at 31 December 2014, the Company has unsecured loan from a non related financial institution, amounting to Baht 180 million, bearing interest at a rate of 2.58 percent per annum. However, the Company has already repaid the loan during 2015.

#### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - related parties	138,425	225,364	111,996	194,698
Trade payables - unrelated parties	296,970	270,317	236,667	203,519
Other payables - related parties	76,024	111,610	17,947	66,096
Other payables - unrelated parties	135,995	131,106	109,935	111,567
Account payable from factoring	-	6,019	-	-
Advance received from customers	4,149	2,330	1,764	1,614
Accrued expenses	42,148	54,376	29,146	39,892
Total trade and other payables	<u>693,711</u>	<u>801,122</u>	<u>507,455</u>	<u>617,386</u>

The account payable from factoring represents the amount received from a bank for factoring with recourse, in accordance with the conditions specified in the factoring agreement. The bank has the right to pursue the subsidiary for payment in the event that it is unable to make full collection of the trade receivable.

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents is compensations payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	52,671	42,738	27,200	22,398
Included in profit or loss:				
Current service cost	2,224	1,904	1,082	924
Interest cost	1,580	1,780	816	952
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	-	6,249	-	2,926
Experience adjustments	6,846	-	5,089	-
Benefits paid during the year	(458)	-	(458)	-
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>62,863</u>	<u>52,671</u>	<u>33,729</u>	<u>27,200</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of sales	1,898	1,876	1,898	1,876
Selling and administrative expenses	1,907	1,808	-	-
<b>Total expenses recognised in profit or loss</b>	<u>3,805</u>	<u>3,684</u>	<u>1,898</u>	<u>1,876</u>

The Company and its subsidiaries expect to pay Baht 3 million of long-term employee benefits during the next year (Separate financial statements: Baht 1 million) (2014: Nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2014: 10 years Separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Discount rate	3.0	3.0	3.0	3.0
Salary increase rate	5.0	5.0	5.0	5.0

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Discount rate	62	65	33	35
Salary increase rate	65	62	35	33

#### 17. Statutory reserve

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

#### 18. Other reserve

The outstanding balance of other reserve is a general reserve of the Company for future special expenditures and represents the allocation of 5 percent of annual net profit and was accumulated until 1994, when the allocation was discontinued.

#### 19. Other components of shareholders' equity

The revaluation surplus on land as included in other components of shareholders' equity can neither be offset against deficit nor used for dividend payment.

## 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	145,697	138,998	112,461	107,662
Depreciation	168,109	162,595	158,292	152,312
Allowance for doubtful accounts (reversal)/ written off bad debts	9,571	306	164	(410)
Rental expenses from operating lease agreements	17,319	15,816	4,410	3,127
Transportation expenses	67,096	92,004	-	-
Management fee	76,694	88,207	60,473	68,573
Repair and maintenance expenses	154,100	154,325	144,321	145,185
Raw materials used, consumables used and purchase of goods	1,299,022	1,526,961	923,410	1,060,685
Changes in inventories of finished goods, work in process and clinker	59,868	(54,788)	59,868	(54,788)

## 21. Basic earnings per share

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

## 22. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows: (1) Manufacturing of cement (2) Manufacturing of ready-mixed concrete and (3) Office building rental. No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.



The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues as reflected in these financial statements pertain to the aforementioned geographical reportable.

For the years 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014.

(Unit: Million Baht)

Consolidated financial statements										
	Cement segment		Ready-mixed concrete segment		Office building rental segment		Elimination of inter-segment revenues		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	2,344	2,393	623	799	-	-	-	-	2,967	3,192
Inter-segment revenues	34	58	-	-	-	-	(34)	(58)	-	-
Interest income	1	1	4	9	-	-	(3)	(9)	2	1
Other income	76	96	35	3	-	-	20	(67)	131	32
Total revenues	2,455	2,548	662	811	-	-	(17)	(134)	3,100	3,225
Cost of sales	1,888	1,918	576	711	-	-	(34)	(58)	2,430	2,571
Administrative expenses	68	80	32	25	-	-	(1)	1	99	106
Depreciation	158	152	10	10	-	-	-	-	168	162
Allowance for doubtful accounts	-	-	9	-	-	-	-	-	9	-
Total expenses	2,114	2,150	627	746	-	-	(35)	(57)	2,706	2,839
Profit before finance cost and income tax expenses	341	398	35	65	-	-	18	(77)	394	386
Finance cost	(28)	(57)	(2)	(2)	-	-	2	9	(28)	(50)
Income tax income (expenses)	25	43	(7)	(13)	-	-	(13)	14	5	44
Profit for the year	338	384	26	50	-	-	7	(54)	371	380

## 23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and its employees contributed to the fund monthly at the rate of 3 - 10 percent of basic salaries. The fund, which is managed by UOB Asset Management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 6 million (2014: 5 million) were recognised as expenses.

## 24. Commitments and contingent liabilities

### 24.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land and motor vehicle. The terms of the agreements are generally between 1 and 10 years.

As at 31 December 2015 and 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	9	10	3	2
In over 1 and up to 5 year	9	12	4	2
In over 5 years	-	1	-	-

### 24.2 Long-term service agreements commitments

- a) The Company and its subsidiaries have entered into agreements relation to the concrete transportation, packing cement and other related services. The Company and its subsidiaries are committed to pay service fees calculated from quantities and distance multiplied by the rate specified in the agreements.
- b) The subsidiary has entered into services agreement relation to service of manage batching plants, quality control, marketing and sales. The subsidiary is committed to pay service fees charged at a rate of yearly turnover as specified in the agreement. Such agreement holds for a period of ten years effective from 1 January 2005, and if no notice from party of the contract the agreement will automatically be extended by successive period of one year.

- c) The subsidiary has entered into service agreement relation to computer advisory and training services. The subsidiary is committed to pay service fees at the rate specified in the agreement.
- d) The Company and its subsidiaries have entered into others services agreements, mostly relating to the provision of repair and maintenance of machines and equipment. As at 31 December 2015 and 2014, there were commitments to be payable under those agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	42	26	38	26
In over 1 and up to 5 years	14	14	13	14

### 24.3 Purchase of raw material commitment

As at 31 December 2015, the Company has entered into an agreement amounting to Baht 232 million (2014: Baht 33 million) regarding to purchase of raw material in the future. In addition, the Company and its subsidiaries have commitment regarding to purchase of raw material in the future which commitment value will be based on the purchase volume and price specified in the agreement.

### 24.4 Bank guarantees

The Company and its subsidiaries have outstanding bank guarantees as at 31 December 2015 and 2014 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Guarantee electricity use	45	45	43	43
Other guarantees	1	1	1	1

## 25. Fair value hierarchy

As at 31 December 2015, the Company had the assets that were measured at fair value using level 2 of inputs as follows:

	(Unit: Million Baht)
	Consolidated financial statements/ Separate financial statements
	<hr/>
<b>Assets measured at fair value</b>	
Land	1,251

## 26. Financial instruments

### 26.1 Financial risk management policies

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

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

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

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

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and loans. Most of the Company and its subsidiaries' financial assets and liabilities bear no interest or floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2015 and 2014 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2015					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	185	192	30	407	0.37 - 1.28
Trade and other receivables	13	-	600	613	2.00
	198	192	630	1,020	
<b>Financial liabilities</b>					
Short-term loans from					
financial institution	130	-	-	130	2.40
Trade and other payables	-	-	694	694	-
Long-term loans from related					
parties	-	380	-	380	1.93
	130	380	694	1,204	

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2014					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	-	190	25	215	0.25 - 0.50
Trade and other receivables	17	-	647	664	2.00 - 3.00
	17	190	672	879	
<b>Financial liabilities</b>					
Short-term loans from					
financial institution	280	-	-	280	2.58 - 2.65
Trade and other payables	-	-	801	801	-
Long-term loans from related					
parties	-	499	-	499	0.58 - 3.72
	280	499	801	1,580	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2015					
	Fixed				
	interest rates	Floating	Non-interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	-	137	30	167	0.37
Trade and other receivables	-	-	424	424	-
Investment in subsidiaries	-	-	286	286	-
	-	137	740	877	
<b>Financial liabilities</b>					
Short-term loans from					
financial institution	130	-	-	130	2.40
Trade and other payables	-	-	507	507	-
Long-term loans from related					
parties	-	439	-	439	1.93 - 3.47
	130	439	507	1,076	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2014					
	Fixed				
	interest rates	Floating	Non-interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	-	141	19	160	0.25 - 0.50
Trade and other receivables	2	-	426	428	3.00
Investment in subsidiaries	-	-	286	286	-
	2	141	731	874	
<b>Financial liabilities</b>					
Short-term loans from					
financial institution	280	-	-	280	2.58 - 2.65
Trade and other payables	-	-	617	617	-
Long-term loans from related					
parties	-	558	-	558	0.58 - 4.12
	280	558	617	1,455	

### **Foreign currency risk**

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

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities as at 31 December		Selling exchange rate as at 31 December	
	<u>2015</u> (Million)	<u>2014</u> (Million)	<u>2015</u> (Baht per 1 foreign currency unit)	<u>2014</u>
Euro	0.2	3	39.7995	40.3552

### **26.2 Fair values of financial instruments**

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

### **27. Capital management**

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.63:1 (2014: 0.93:1) and the Company's was 0.58:1 (2014: 0.86:1).

### **28. Fire at Cha-Am Plant**

On 10 November 2015, a fire broke out in control room and parts of machine at Cha-Am plant, caused by an electrical short circuit. The Company has investigated the resulting losses and has filed a fire insurance claim with an insurance company. Management does not expect any significant losses will be incurred as a result of this incident.

### **29. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2016.













# ปูนดอกบัว



23/124-128 ซอยศูนย์วิจัย ถนนพระรามที่ 9  
แขวงบางกะปิ เขตห้วยขวาง กรุงเทพฯ 10310  
โทรศัพท์ 0-2641-5600 โทรสาร 0-2641-5680

23/124-128 Soi Soonvijai, Rama 9 Road,  
Bangkapi, Huaykwang, Bangkok 10310 Thailand  
Tel. (66 2) 641-5600 Fax. (66 2) 641-5680