



บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)  
**Jalapraphan Cement**  
Public Company Limited

# รายงานประจำปี 2561 ANNUAL REPORT 2018

## LIVE WELL TOGETHER





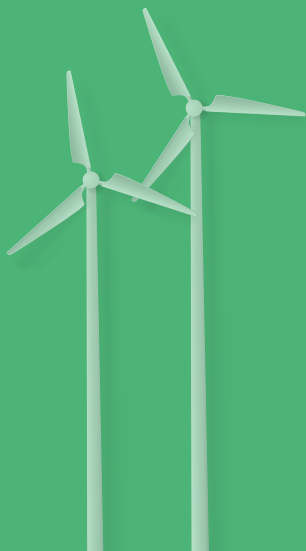
บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)  
**Jalapraphan Cement**  
Public Company Limited

LIVE WELL TOGETHER

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# Message from the Chairman

## Jalaprathan Cement Public Company Limited



In 2018 the demand for cement in Thailand was approximately at 31 million tons, which decreased by 3 percent compared to 2017. The total revenue of the Company was Baht 2,468 million, which increased by 5 percent and the net loss was Baht 14 million, decreasing from the year before. The results improved mainly due to the upgrades in the quality of products and services which compensated for the increase in energy cost. The Company continued to focus on strengthening the organisation together with efficient cost management to enhance competitiveness and profitability.

The company has intended that the success and sustainability of business shall come together with good governance and responsibility to all stakeholders. In 2017 Cha-am Plant in Phetchaburi Province and Takli Plant in Nakhon Sawan Province were granted "Corporate Social Responsibility Award" by the Department of Primary Industries and Mines, Ministry of Industry and "Occupational Health, Safety and Environment Management Award" by the Department of Labor Protection and Welfare, Ministry of Labor. In addition, Takli Plant was also granted "Disease-free, Safe, Healthy and Happy Heart Workplace Award (gold shield - national level)" from Ministry of Public Health and Cha-am Plant had been granted "Green Mining Award" by the Department of Primary Industries and Mines, Ministry of Industry for the sixth consecutive year.

In addition, Cha-am and Takli Plants continued other social activities, i.e. granting Golden Naga Scholarship and lunch fund for students in the schools situated nearby the plants, providing a mobile medical unit for the local communities and sponsoring cultural activities together with the stakeholders.

On behalf of the Board of Directors of Jalaprathan Cement Public Company Limited, I would like to extend my gratitude to our clients, shareholders, stakeholders, management and employees for your support of the Company.



Gen. Ayupoon Karnasuta  
Chairman of the Board

# Board of Directors

## Jalaprathan Cement Public Company Limited

### Board of Directors

As of 31 December 2018

### Chairman

General Ayupoon Karnasuta

### Directors

Mr. Rapee Sukhyanga

Police General Suthep Dhamaraks

Mr. Roberto Callieri

Mr. Kevin Gerard Gluskie

Mr. Claudio Dealberti

Managing Director

Mr. Nopadol Ramyarupa

Managing Director





## 1. Basic Information of the Company

<b>Company:</b>	Jalaprathan Cement Public Company Limited
<b>Establishment:</b>	September 12, 1956
<b>Head Office:</b>	23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok
<b>Plant:</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>Type of Business:</b>	Manufacturing and Sale of Cement
<b>Registration No.:</b>	0107537001676 (Previous Reg. No. Bor Mor Jor. 414)
<b>Initial Registered Capital:</b>	
<b>Registered Capital</b>	Baht 60,000,000
<b>Paid-up Capital</b>	Baht 60,000,000 comprised of 60,000 Common Shares
<b>Par Value</b>	Common Share, Baht 1,000 per share
<b>Current Registered Capital:</b>	
<b>Registered Capital</b>	Baht 1,200,000,000
<b>Paid-up Capital</b>	Baht 1,200,000,000 comprised of 120,000,000 Common Shares
<b>Par Value</b>	Common Share, Baht 10 per share

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

### 2.1 Jalaprathan Concrete Company Limited:

2,799,810 common shares, equivalent to 99.99%.

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

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

### 2.2 Naga Property Company Limited:

999,995 common shares, equivalent to 99.99%.

**Head Office Address:** 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 more than 10% of shares in any other companies or private enterprises.

4. The Company's Directors do not share interests on any contracts being made by the Company during the fiscal year.
5. Share holding by the Directors in the Company and Subsidiaries in current fiscal year when compared to the past fiscal year has been increased or decreased as follows:

**5.1 The holding of Jalapathan Cement Public Company Limited's share by Board of Directors:**

Name of Director	Number of Share Holding		Increased/Decreased
	Current Fiscal Year	Past Fiscal Year	
1. General Ayupoon Karnasuta	None	None	N/A
2. Mr. Rapee Sukhyanga	None	None	N/A
3. Police General Suthep Dhamaraks	None	None	N/A
4. Mr. Nopadol Ramyarupa	None	None	N/A
5. Mr. Roberto Callieri	None	None	N/A
6. Mr. Claudio Dealberti	None	None	N/A
7. Mr. Kevin Gerard Gluskie	None	None	N/A

**5.2 The holding of Subsidiary's share, Jalapathan Concrete Company Limited, by Board of Directors:**

Name of Director	Number of Share Holding		Increased/Decreased
	Current Fiscal Year	Past Fiscal Year	
1. Mr. Nopadol Ramyarupa	None	None	N/A
2. Mr. Rapee Sukhyanga	None	None	N/A
3. Mr. Claudio Dealberti	None	None	N/A

**5.3 The holding of Subsidiary's share, Naga Property Company Limited, by Board of Directors:**

Name of Director	Number of Share Holding		Increased/Decreased
	Current Fiscal Year	Past Fiscal Year	
1. Mr. Rapee Sukhyanga	None	None	N/A
2. Mr. Nopadol Ramyarupa	None	None	N/A
3. Mr. Claudio Dealberti	None	None	N/A

## 6. The remuneration of Board of Directors paid in 2018

Name of Director	Remuneration (Baht)
1. General Ayupoon Karnasuta	1,448,000
2. Mr. Rapee Sukhyanga	188,000
3. Police General Suthep Dhamaraks	180,000
4. Mr. Nopadol Ramyarupa	188,000
5. Mr. Roberto Callieri	180,000
6. Mr. Claudio Dealberti	180,000
7. Mr. Kevin Gerard Gluskie	180,000
<b>Total</b>	<b>2,544,000</b>

## Independent Auditor's Report

To the Shareholders of Jalaprathan Cement Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Jalaprathan Cement Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jalaprathan Cement Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jalaprathan Cement Public Company Limited and its subsidiaries and of Jalaprathan Cement Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

## **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I am responsible for the audit resulting in this independent auditor's report.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 1 March 2019

**Jalprathan Cement Public Company Limited and its subsidiaries**
**Statement of financial position**
**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6, 7	466,374,507	504,580,835	254,018,227	246,998,034
Trade and other receivables	8	628,989,737	508,687,853	358,170,940	337,650,483
Current portion of long-term loans					
to unrelated parties	11	2,673,151	2,872,916	-	-
Inventories	9	480,771,153	458,738,030	477,575,963	455,681,490
Input tax refundable		13,005,453	15,666,035	5,937,868	9,540,759
Other current assets		4,871,090	3,344,677	2,446,024	898,853
<b>Total current assets</b>		<b>1,596,685,091</b>	<b>1,493,890,346</b>	<b>1,098,149,022</b>	<b>1,050,769,619</b>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	286,241,767	286,241,767
Long-term loans to unrelated parties - net of					
current portion	11	1,402,761	4,075,925	-	-
Property, plant and equipment	12	2,935,139,238	3,037,817,125	2,909,442,915	3,006,490,398
Intangible assets		2,846,960	1,888,600	2,846,960	1,888,600
Deferred tax assets	19	138,355,919	138,364,889	126,634,093	126,601,607
Other non-current assets		4,786,449	4,778,040	1,229,679	1,421,430
<b>Total non-current assets</b>		<b>3,082,531,327</b>	<b>3,186,924,579</b>	<b>3,326,395,414</b>	<b>3,422,643,802</b>
<b>Total assets</b>		<b>4,679,216,418</b>	<b>4,680,814,925</b>	<b>4,424,544,436</b>	<b>4,473,413,421</b>

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 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	13	966,361,885	868,452,291	684,596,982	645,306,224
Current portion of long-term loans from related parties	6	12,500,000	92,500,000	71,000,000	151,000,000
Income tax payable		2,289	987	-	-
Other current liabilities		8,219,429	3,805,477	7,442,118	2,901,229
<b>Total current liabilities</b>		<b>987,083,603</b>	<b>964,758,755</b>	<b>763,039,100</b>	<b>799,207,453</b>
<b>Non-current liabilities</b>					
Long-term loans from related parties - net					
of current portion	6	-	12,500,000	-	12,500,000
Provision for long-term employee benefits	14	67,263,905	65,221,627	33,038,285	31,001,326
Long-term provisions		22,999,269	21,296,433	16,854,117	16,137,021
Deferred tax liabilities	19	441,240,857	441,255,703	441,240,857	441,255,703
<b>Total non-current liabilities</b>		<b>531,504,031</b>	<b>540,273,763</b>	<b>491,133,259</b>	<b>500,894,050</b>
<b>Total liabilities</b>		<b>1,518,587,634</b>	<b>1,505,032,518</b>	<b>1,254,172,359</b>	<b>1,300,101,503</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
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
Issued and fully paid up					
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	15	54,026,280	54,026,280	54,026,280	54,026,280
Other reserve	16	122,000,000	122,000,000	122,000,000	122,000,000
Deficits		(947,009,693)	(931,856,901)	(937,248,075)	(934,308,234)
Other components of shareholders' equity	17	1,757,825,182	1,757,825,182	1,757,825,182	1,757,825,182
Equity attributable to owners of the Company		3,160,610,459	3,175,763,251	3,170,372,077	3,173,311,918
Non-controlling interests of the subsidiaries		18,325	19,156	-	-
<b>Total shareholders' equity</b>		<b>3,160,628,784</b>	<b>3,175,782,407</b>	<b>3,170,372,077</b>	<b>3,173,311,918</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,679,216,418</b>	<b>4,680,814,925</b>	<b>4,424,544,436</b>	<b>4,473,413,421</b>

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 2018**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		2,432,413,991	2,263,257,912	1,761,168,162	1,683,037,621
Interest income		5,008,356	3,786,019	1,304,338	465,354
Gains on sales of assets		1,159,337	2,275,625	94,981	1,170,987
Dividends income	10	-	-	-	9,799,335
Insurance claim for fire		-	50,760,670	-	50,760,670
Other income		30,142,885	21,518,600	28,588,264	19,666,268
<b>Total revenues</b>		<b>2,468,724,569</b>	<b>2,341,598,826</b>	<b>1,791,155,745</b>	<b>1,764,900,235</b>
<b>Expenses</b>					
Cost of sales		2,378,664,178	2,268,760,460	1,710,317,303	1,700,462,609
Selling and distribution expenses		18,486	66,978	18,486	66,978
Administrative expenses		93,022,721	95,664,230	71,077,829	73,519,897
Loss on impairment of assets	1.2	-	170,383,331	-	170,383,331
Doubtful debts (reversal)		(516,612)	(1,784,284)	351,554	(3,006,586)
<b>Total expenses</b>		<b>2,471,188,773</b>	<b>2,533,090,715</b>	<b>1,781,765,172</b>	<b>1,941,426,229</b>
<b>Profit (loss) before finance cost and income tax</b>					
<b>benefits (expenses)</b>		(2,464,204)	(191,491,889)	9,390,573	(176,525,994)
Finance cost		(11,583,211)	(16,054,979)	(11,110,630)	(15,894,994)
<b>Loss before income tax benefits (expenses)</b>		<b>(14,047,415)</b>	<b>(207,546,868)</b>	<b>(1,720,057)</b>	<b>(192,420,988)</b>
Income tax benefits (expenses)	19	(425,404)	15,872,335	(225,040)	14,999,994
<b>Loss for the year</b>		<b>(14,472,819)</b>	<b>(191,674,533)</b>	<b>(1,945,097)</b>	<b>(177,420,994)</b>

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

**Jalaprathan Cement Public Company Limited and its subsidiaries**
**Statement of comprehensive income (continued)**
**For the year ended 31 December 2018**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<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	14, 19	(680,804)	(6,410,404)	(994,744)	(2,618,298)
Gains on revaluations of land, net of income tax	12, 19	-	804,506,921	-	804,506,921
<b>Other comprehensive income for the year</b>		<u>(680,804)</u>	<u>798,096,517</u>	<u>(994,744)</u>	<u>801,888,623</u>
<b>Total comprehensive income for the year</b>		<u>(15,153,623)</u>	<u>606,421,984</u>	<u>(2,939,841)</u>	<u>624,467,629</u>
<b>Loss attributable to:</b>					
Equity holders of the Company		(14,471,967)	(191,674,229)	<u>(1,945,097)</u>	<u>(177,420,994)</u>
Non-controlling interests of the subsidiaries		<u>(852)</u>	<u>(304)</u>		
		<u>(14,472,819)</u>	<u>(191,674,533)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(15,152,792)	606,422,545	<u>(2,939,841)</u>	<u>624,467,629</u>
Non-controlling interests of the subsidiaries		<u>(831)</u>	<u>(561)</u>		
		<u>(15,153,623)</u>	<u>606,421,984</u>		
<b>Basic loss per share</b>					
Loss attributable to equity holders of the Company	20	<u>(0.12)</u>	<u>(1.60)</u>	<u>(0.02)</u>	<u>(1.48)</u>

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

**Jalprathan Cement Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of equity				
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings - Appropriated - other reserve	Deficits	Surplus on revaluation of land	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
<b>Balance as at 1 January 2017</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(733,772,525)	953,318,261	2,569,340,706	20,382	2,569,361,088	
Loss for the year	-	-	-	-	(191,674,229)	-	(191,674,229)	(304)	(191,674,533)	
Other comprehensive income for the year	-	-	-	-	(6,410,147)	804,506,921	798,096,774	(257)	798,096,517	
Total comprehensive income for the year	-	-	-	-	(198,084,376)	804,506,921	606,422,545	(561)	606,421,984	
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	(665)	(665)	
<b>Balance as at 31 December 2017</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(931,856,901)	1,757,825,182	3,175,763,251	19,156	3,175,782,407	
<b>Balance as at 1 January 2018</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(931,856,901)	1,757,825,182	3,175,763,251	19,156	3,175,782,407	
Loss for the year	-	-	-	-	(14,471,967)	-	(14,471,967)	(852)	(14,472,819)	
Other comprehensive income for the year	-	-	-	-	(680,825)	-	(680,825)	21	(680,804)	
Total comprehensive income for the year	-	-	-	-	(15,152,792)	-	(15,152,792)	(831)	(15,153,623)	
<b>Balance as at 31 December 2018</b>	1,200,000,000	973,768,690	54,026,280	122,000,000	(947,009,693)	1,757,825,182	3,160,610,459	18,325	3,160,628,784	

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 2018**

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	Retained earnings			Other components of equity			Total shareholders' equity	Other comprehensive income	
		Appropriated - statutory reserve	Appropriated - other reserve	Deficits	Surplus on revaluation of land	Other comprehensive income	Surplus on revaluation of land		Other comprehensive income	
									Share premium	Share premium
<b>Balance as at 1 January 2017</b>	1,200,000,000	54,026,280	122,000,000	(754,268,942)	953,318,261					2,548,844,289
Loss for the year	-	-	-	(177,420,994)	-					(177,420,994)
Other comprehensive income for the year	-	-	-	(2,618,298)	804,506,921					801,888,623
Total comprehensive income for the year	-	-	-	(180,039,292)	804,506,921					624,467,629
<b>Balance as at 31 December 2017</b>	<u>1,200,000,000</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(934,308,234)</u>	<u>1,757,825,182</u>					<u>3,173,311,918</u>
<b>Balance as at 1 January 2018</b>	1,200,000,000	54,026,280	122,000,000	(934,308,234)	1,757,825,182					3,173,311,918
Loss for the year	-	-	-	(1,945,097)	-					(1,945,097)
Other comprehensive income for the year	-	-	-	(994,744)	-					(994,744)
Total comprehensive income for the year	-	-	-	(2,939,841)	-					(2,939,841)
<b>Balance as at 31 December 2018</b>	<u>1,200,000,000</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(937,248,075)</u>	<u>1,757,825,182</u>					<u>3,170,372,077</u>

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

**Jalaprathan Cement Public Company Limited and its subsidiaries****Statement of cash flows****For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(14,047,415)	(207,546,868)	(1,720,057)	(192,420,988)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities				
Depreciation	162,505,635	168,319,972	151,916,448	156,985,449
Doubtful debts (reversal)	(516,612)	(1,784,284)	351,554	(3,006,586)
Reduce cost of inventory to net realisable value (reversal)	(9,333,562)	27,975,747	(9,333,562)	27,975,747
Impairment loss on assets (reversal)	(3,104,327)	143,041,580	(3,104,327)	143,041,580
Provision for long-term employee benefits	4,820,960	5,768,392	2,499,457	3,828,823
Provision for quarry restoration cost	-	3,145,500	-	3,145,500
Provision for unused annual leave	2,365,618	-	1,909,512	-
Provision for demolishing cost	139,634	4,837,555	-	-
Written off bad debts	20,991	4,383,789	-	3,803,114
Gains on sales of plant and equipment	(1,159,337)	(2,275,625)	(94,981)	(1,170,987)
Dividend income from a subsidiary	-	-	-	(9,799,335)
Unrealised (gains) losses on exchange	(34,984)	46,199	(34,984)	46,199
Interest income	(3,103,838)	(3,147,130)	(524,301)	-
Interest expenses	1,043,489	5,038,388	3,063,347	7,066,583
Profit from operating activities before changes in operating assets and liabilities	139,596,252	147,803,215	144,928,106	139,495,099
Operating assets (increase) decrease				
Trade and other receivables	(119,806,263)	18,276,959	(20,872,011)	35,346,857
Inventories	(12,699,561)	52,561,046	(12,560,911)	52,558,360
Other current assets	1,262,240	339,509	2,125,726	1,174,372
Other non-current assets	(8,409)	(1,332,878)	191,751	(826,938)
Operating liabilities increase (decrease)				
Trade and other payables	75,916,143	33,752,853	20,539,765	22,368,654
Other current liabilities	4,803,952	(5,667,334)	4,540,889	(5,226,508)
Provision for long-term employee benefits	(3,418,110)	(10,089,185)	(1,482,800)	(9,675,385)
Long-term provisions	(1,192,416)	(808,773)	(1,192,416)	(808,773)
Cash flows from operating activities	84,453,828	234,835,412	136,218,099	234,405,738
Cash paid for income tax	(259,776)	(1,191,576)	(23,685)	(27,377)
<b>Net cash flows from operating activities</b>	<b>84,194,052</b>	<b>233,643,836</b>	<b>136,194,414</b>	<b>234,378,361</b>

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

**Jalaprathan Cement Public Company Limited and its subsidiaries**
**Statement of cash flows (continued)**
**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from investing activities</b>				
Acquisition of plant and equipment	(35,110,705)	(34,533,658)	(32,607,277)	(32,525,359)
Proceeds from sales of plant and equipment	1,996,309	2,803,500	645,359	2,790,000
Dividend income from a subsidiary	-	-	-	9,799,335
Cash received from long-term loans to unrelated parties	2,872,929	2,816,106	-	-
Interest income	2,975,767	3,208,020	454,295	-
<b>Net cash used in investing activities</b>	<u>(27,265,700)</u>	<u>(25,706,032)</u>	<u>(31,507,623)</u>	<u>(19,936,024)</u>
<b>Cash flows from financing activities</b>				
Repayment of long-term loans from related parties	(92,500,000)	(165,000,000)	(92,500,000)	(165,000,000)
Dividend paid to non-controlling interests	-	(665)	-	-
Interest expenses	(2,634,680)	(5,313,481)	(5,166,598)	(7,336,119)
<b>Net cash used in financing activities</b>	<u>(95,134,680)</u>	<u>(170,314,146)</u>	<u>(97,666,598)</u>	<u>(172,336,119)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(38,206,328)</u>	<u>37,623,658</u>	<u>7,020,193</u>	<u>42,106,218</u>
Cash and cash equivalents at beginning of year	504,580,835	466,957,177	246,998,034	204,891,816
<b>Cash and cash equivalents at end of year</b>	<u>466,374,507</u>	<u>504,580,835</u>	<u>254,018,227</u>	<u>246,998,034</u>

**Supplemental cash flows information**
**Non-cash transactions**

Purchases of equipment for which no cash has been paid	23,408,048	19,888,486	20,666,099	18,175,997
Transferred cement and spare parts to construction in progress during the year	-	5,356,502	-	5,356,502
Transferred construction in progress to intangible assets	958,360	1,888,600	958,360	1,888,600
Sales of of equipment for which no cash has been received	-	1,200,000	-	-
Provision for demolishing cost	-	711,857	-	-

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 2018**

**1. General information**

**1.1 Corporate 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.

**1.2 Suspension of clinker production at Takli plant**

In January 2009, the Company suspended clinker production at Takli plant and recorded impairment loss on buildings, machines, equipment and spare parts related to that production in its accounts. Consequently in 2013, the Company operated clinker production at Takli plant but not at normal capacity. The Company’s management therefore decided to maintain the impairment loss on buildings, machines, equipment and spare parts related to clinker production same as recorded in 2009.

On 4 September 2017, the Company announced to suspended clinker production at Takli plant again from 1 October 2017 onwards. The Company’s management therefore considered to record impairment loss on buildings, machines, equipment and spare parts which acquired during 2013 to 30 September 2017 amounting to Baht 170 million due to the uncertainty that Takli plant will be able to resume its clinker production in the near future. In addition, the Company also announced the voluntary resignation program and paid severance pay including other benefits to the employee who joined the program amounting to Baht 20 million.

## 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 11 October 2016, 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 Jalaprathan Cement Public Company Limited (“the Company”) and two subsidiary companies (“the subsidiaries”) which are incorporated in Thailand. These are detailed below.

Company's name	Nature of business	Percentage of shareholding	
		<u>2018</u>	<u>2017</u>
		%	%
Jalaprathan 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

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standards which involve changes to key principles are summarised as follows:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

However, the new standards which involve changes to key principles are summarise as follow.

Entities shall adopt TFRS 15 to all contracts with customers expect for contracts within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the financial statements when it is initially applied.

**(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **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.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

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

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

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

Trade and other receivables 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 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 in equity under the heading of "Revaluation surplus". 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 to 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 "Revaluation surplus" 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.

Quarries cost from which raw materials are extracted comprised as follows:

- In case of owned quarries, the quarries cost includes the purchase price of the land and any improvement costs.
- In case of not owned quarries, the quarries cost 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.

#### **4.7 Related party transactions**

Related parties comprise enterprises or 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, the subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries operations.

#### **4.8 Long-term leases**

Leases of property, plant and 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.

#### **4.9 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.



#### 4.10 Impairment of assets

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

#### 4.11 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 made 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 defined benefit plans benefits are recognised immediately in other comprehensive income.

#### **4.12 Provisions**

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

#### **4.13 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 the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences 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 each reporting period, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

#### 4.14 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

#### 5. 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:

##### **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 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/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 and its subsidiaries' 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 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 and losses 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.

## Provision for demolishing costs

A subsidiary has an obligation to demolish the concrete batching plants and restore the leased lands before returning the areas to the lessors at the end the lease agreements. The subsidiary recognises a provision for demolishing cost when it is probable that an obligation will arise as a result of past events and the amount to be paid can be reliably estimated. Measurement of provision for demolishing costs requires the management to exercise judgement in estimating future demolishing costs, discount rates and the economic useful lives of the assets.

## 6. Related party transactions

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Transactions with parent company</u></b>				
Sales of goods	17	30	17	30
Sales of assets	-	4	-	4
Purchases of goods	739	363	570	222
Management fee	72	59	67	55
Interest expenses	1	5	1	5
<b><u>Transactions with subsidiary</u></b>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	15	14
Interest expenses	-	-	2	2
<b><u>Transactions with related companies</u></b>				
Sales of goods and raw materials	87	63	5	6
Interest income	2	3	-	-
Sales of assets	1	-	-	-
Purchases of goods	18	10	-	-
Technical fee	1	-	1	-
Management fee	14	12	-	-

The balances of accounts as at 31 December 2018 and 2017 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Bank deposits with related party</u></b>				
Related financial institution (related by common shareholders)	225,927	261,135	46,627	31,751
Total bank deposits with related party	<u>225,927</u>	<u>261,135</u>	<u>46,627</u>	<u>31,751</u>
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Parent company	21,619	24,570	21,571	24,547
Subsidiary	-	-	1,400	2,456
Related companies (related by common shareholders)	118,204	55,481	1,279	3,735
Total trade and other receivables - related parties	<u>139,823</u>	<u>80,051</u>	<u>24,250</u>	<u>30,738</u>
<b><u>Trade and other payables - related parties (Note 13)</u></b>				
Parent company	468,929	375,205	410,619	345,593
Subsidiary	-	-	6,893	3,525
Related companies (related by common shareholders)	105,267	87,777	727	1,601
Total trade and other payables - related parties	<u>574,196</u>	<u>462,982</u>	<u>418,239</u>	<u>350,719</u>
<b><u>Long-term loans from related parties</u></b>				
Parent company	12,500	105,000	12,500	105,000
Subsidiary	-	-	58,500	58,500
Total	12,500	105,000	71,000	163,500
Less: portion due within one year	(12,500)	(92,500)	(71,000)	(151,000)
Long-term loans from related parties - net of current portion	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>

**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 2018. During 2018, both parties agree to extend the repayment schedule which the Company issued the new promissory notes dated 29 December 2018 amounting to Baht 58.5 million, maturing on 29 December 2019.

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 loan from Asia Cement Plc. (parent company)**

The outstanding balance as at 31 December 2018 represented unsecured loan of Baht 12.5 million carrying interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 3.0 percent per annum. The loan and interest are repayable on a quarterly basis within 2017. However, the Board of Directors of Asia Cement Plc. had approval to extend the repayable period to 2019.

### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	2.5	2.5	2.5	2.5

### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	600	-	600	-
Bank deposits	465,775	504,581	253,418	246,998
Total cash and cash equivalents	466,375	504,581	254,018	246,998

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.37 and 1.50 percent per annum (2017: between 0.37 and 1.23 percent per annum) (The Company only: between 0.37 and 0.38 percent per annum (2017: 0.37 and 0.38 percent per annum)).

### 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	12,470	20,156	6,586	9,114
Past due				
Up to 3 months	36,615	19,712	-	1,641
3 - 6 months	23,325	11,674	-	-
6 - 12 months	33,924	6,504	-	-
Over 12 months	14,616	-	-	-
Total trade receivables - related parties	120,950	58,046	6,586	10,755



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	373,461	325,974	260,623	243,169
Past due				
Up to 3 months	91,388	83,634	63,282	54,140
3 - 6 months	12,588	3,590	4,563	2,712
6 - 12 months	12,511	4,331	3,608	2,796
Over 12 months	16,436	29,878	871	3,843
Total	506,384	447,407	332,947	306,660
Less: Allowance for doubtful accounts	(21,130)	(21,647)	(2,240)	(1,888)
Total trade receivables - unrelated parties, net	485,254	425,760	330,707	304,772
Total trade receivables - net	606,204	483,806	337,293	315,527
<b><u>Other receivables</u></b>				
Other receivables - related parties	18,873	22,005	17,664	19,983
Other receivables - unrelated parties	3,913	2,877	3,214	2,140
Total other receivables	22,786	24,882	20,878	22,123
Total trade and other receivables - net	628,990	508,688	358,171	337,650

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	53,971	58,577	-	-	53,971	58,577
Work in process	89,006	65,474	-	-	89,006	65,474
Clinker	139,311	121,733	-	(9,307)	139,311	112,426
Raw materials	75,959	100,081	(4,005)	(9,409)	71,954	90,672
Spare parts and supplies	282,500	282,326	(156,114)	(150,737)	126,386	131,589
Goods in transit	143	-	-	-	143	-
Total	640,890	628,191	(160,119)	(169,453)	480,771	458,738

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Finished goods	53,971	58,577	-	-	53,971	58,577
Work in process	89,006	65,474	-	-	89,006	65,474
Clinker	139,311	121,733	-	(9,307)	139,311	112,426
Raw materials	72,764	97,024	(4,005)	(9,409)	68,759	87,615
Spare parts and supplies	282,500	282,326	(156,114)	(150,737)	126,386	131,589
Goods in transit	143	-	-	-	143	-
<b>Total</b>	<b>637,695</b>	<b>625,134</b>	<b>(160,119)</b>	<b>(169,453)</b>	<b>477,576</b>	<b>455,681</b>

During the current year, the Company reduced cost of inventories by Baht 17 million (2017: Baht 45 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 27 million (2017: Baht 17 million) and reduced the amount of inventories recognised as expenses during the year.

As described in Note 1.2 to the financial statements, as at 31 December 2018, the allowance for impairment loss on spare parts of machines related to the clinker production at Takli plant was Baht 47 million (2017: Baht 48 million).

## 10. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
Jalaprathan Concrete Co., Ltd.	280,000	280,000	99.99	99.99	279,981	279,981	-	9,799
Naga Property Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000	-	-
<b>Total</b>					<b>379,981</b>	<b>379,981</b>	<b>-</b>	<b>9,799</b>
Less: Allowance for impairment loss of investments					<b>(93,739)</b>	<b>(93,739)</b>		
<b>Investments in subsidiaries - net</b>					<b>286,242</b>	<b>286,242</b>		

## 11. Long-term loans to unrelated parties

The outstanding balances represented the unsecured loans to unrelated parties of a subsidiary. The terms of the agreements are generally between 6 and 7 years. Principal and interest are payable on a monthly basis, bearing interest at a rate of 2 percent per annum.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

Revaluation basis	Consolidated financial statements										
	Assets used in the operations					Unused assets but not classified as held for sale					
	Cost 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	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
<b>Cost/revalued amount:</b>											
As at 1 January 2017	1,250,586	45,868	921,985	3,959,523	37,198	143,825	167,806	1,260,998	91,927	43,242	8,198,427
Transfer to unused assets	-	-	(25,732)	(186,636)	-	(7,200)	(8,340)	186,636	7,200	8,340	-
Additions	-	-	-	2,320	143	-	58,028	-	-	-	60,491
Revaluations	1,005,633	-	-	-	-	-	-	-	-	-	1,005,633
Disposals/write-off	-	-	(145)	(11,266)	(233)	-	-	(3,350)	-	-	(14,994)
Transfer in (out)	-	-	6,842	15,978	395	-	(23,215)	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	(1,889)	-	-	-	(1,889)
As at 31 December 2017	2,256,219	45,868	902,950	3,779,919	37,503	136,625	192,390	1,447,634	99,127	51,582	9,247,668
Additions	-	-	-	1,793	64	-	56,662	-	-	-	58,519
Disposals/write-off	-	-	(3,889)	(25,081)	(2,585)	(543)	(543)	-	-	-	(32,641)
Transfer in (out)	-	-	19,036	177,173	1,400	4,100	(198,605)	35,860	-	(38,964)	-
Transfer to intangible assets	-	-	-	-	-	-	(958)	-	-	-	(958)
As at 31 December 2018	2,256,219	45,868	918,097	3,933,804	36,382	140,182	48,946	1,483,494	99,127	12,618	9,272,588
<b>Accumulated depreciation:</b>											
As at 1 January 2017	-	6,684	741,547	3,330,959	25,027	130,449	-	642,684	86,252	-	5,115,311
Transfer to unused assets	-	-	(2,676)	(74,735)	-	(5,166)	-	74,735	5,166	-	-
Depreciation for the year	-	184	22,512	136,936	3,586	5,102	-	-	-	-	168,320
Depreciation on disposals/write-off	-	-	(58)	(11,245)	(233)	-	-	(1,731)	-	-	(13,267)
As at 31 December 2017	-	6,868	761,325	3,381,915	28,380	130,385	-	717,419	91,418	-	5,270,364
Depreciation for the year	-	22	19,120	136,632	3,518	3,214	-	-	-	-	162,506
Depreciation on disposals/write-off	-	-	(3,703)	(25,038)	(2,521)	(542)	-	-	-	-	(31,804)
As at 31 December 2018	-	6,890	776,742	3,493,509	29,377	133,057	-	717,419	91,418	-	5,401,066

(Unit: Thousand Baht)

## Consolidated financial statements (continued)

Revaluation basis	Assets used in the operations				Unused assets but not classified as held for sale				Total			
	Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures		Machinery, tools and equipment	Motor vehicles	Construction in progress
<b>Allowance for impairment loss:</b>												
As at 1 January 2017	5,340	-	-	-	-	-	114	123,760	618,314	5,675	43,242	796,445
Increase (decrease) during the year	(670)	-	-	-	-	-	-	21,437	111,901	2,034	8,340	143,042
As at 31 December 2017	4,670	-	-	-	-	-	114	145,197	730,215	7,709	51,582	939,487
Transfer to assets use	-	-	-	114	-	-	(114)	-	37,498	-	(37,498)	-
Decrease during the year	-	-	-	-	-	-	-	-	(1,638)	-	(1,466)	(3,104)
As at 31 December 2018	4,670	-	-	114	-	-	-	145,197	766,075	7,709	12,618	936,383
<b>Net book value:</b>												
As at 31 December 2017	2,251,549	39,000	141,625	398,004	9,123	6,240	192,276	-	-	-	-	3,037,817
As at 31 December 2018	2,251,549	38,978	141,355	440,181	7,005	7,125	48,946	-	-	-	-	2,935,139
<b>Depreciation for the year</b>												
2017 (Baht 168.3 million included in manufacturing cost and the balance in administrative expenses)												168,320
2018 (Baht 162.5 million included in manufacturing cost and the balance in administrative expenses)												162,506

(Unit: Thousand Baht)

Revaluation basis	Separate financial statements											
	Assets used in the operations					Unused assets but not classified as held for sale						
	Cost 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	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total	
<b>Cost/revalued amount:</b>												
As at 1 January 2017	1,250,586	45,868	870,668	3,775,813	24,979	143,530	165,127	275,469	1,260,998	91,927	43,242	7,948,207
Transfer unused assets	-	-	(25,732)	(186,636)	-	(7,200)	(8,340)	25,732	186,636	7,200	8,340	-
Additions	-	-	-	2,320	143	-	53,595	-	-	-	-	56,058
Revaluations	1,005,633	-	-	-	-	-	-	-	-	-	-	1,005,633
Disposals/write-off	-	-	-	-	-	-	-	(3,350)	-	-	-	(3,350)
Transfer in (out)	-	-	3,899	15,925	-	-	(19,824)	-	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	(1,889)	-	-	-	-	(1,889)
As at 31 December 2017	2,256,219	45,868	848,835	3,607,422	25,122	136,330	188,669	297,851	1,447,634	99,127	51,582	9,004,659
Additions	-	-	-	1,792	64	-	51,417	-	-	-	-	53,273
Disposals/write-off	-	-	(3,228)	(10,830)	(2,360)	(543)	(543)	-	-	-	-	(17,504)
Transfer in (out)	-	-	14,321	174,141	181	4,100	(189,639)	-	35,860	-	(38,964)	-
Transfer to intangible assets	-	-	-	-	-	-	(958)	-	-	-	-	(958)
As at 31 December 2018	2,256,219	45,868	859,928	3,772,525	23,007	139,887	48,946	297,851	1,483,494	99,127	12,618	9,039,470
<b>Accumulated depreciation:</b>												
As at 1 January 2017	-	6,684	703,801	3,161,994	20,150	130,154	-	151,709	642,684	86,252	-	4,903,428
Transfer unused assets	-	-	(2,676)	(74,735)	-	(5,166)	-	2,676	74,735	5,166	-	-
Depreciation for the year	-	184	18,043	132,039	1,617	5,102	-	-	-	-	-	156,985
Depreciation on disposals /write-off	-	-	-	-	-	-	-	(1,731)	-	-	-	(1,731)
As at 31 December 2017	-	6,868	719,168	3,219,298	21,767	130,090	-	152,654	717,419	91,418	-	5,058,682
Depreciation for the year	-	22	14,397	132,764	1,519	3,214	-	-	-	-	-	151,916
Depreciation on disposals /write-off	-	-	(3,228)	(10,827)	(2,357)	(542)	-	-	-	-	-	(16,954)
As at 31 December 2018	-	6,890	730,337	3,341,235	20,929	132,762	-	152,654	717,419	91,418	-	5,193,644

(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					Cost basis					
	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
As at 1 January 2017	5,340	-	-	-	-	114	123,760	618,314	5,675	43,242	796,445
Increase (decrease) during the year	(670)	-	-	-	-	-	21,437	111,901	2,034	8,340	143,042
As at 31 December 2017	4,670	-	-	-	-	114	145,197	730,215	7,709	51,582	939,487
Transfer to assets use	-	-	114	-	-	(114)	-	37,498	-	(37,498)	-
Decrease during the year	-	-	-	-	-	-	-	(1,638)	-	(1,466)	(3,104)
As at 31 December 2018	4,670	-	-	-	-	-	145,197	766,075	7,709	12,618	936,383
<b>Net book value:</b>											
As at 31 December 2017	2,251,549	39,000	129,667	3,355	6,240	188,555	-	-	-	-	3,006,490
As at 31 December 2018	2,251,549	38,978	129,591	2,078	7,125	48,946	-	-	-	-	2,909,443
<b>Depreciation for the year</b>											
2017 (Baht 156.9 million included in manufacturing cost, and the balance in administrative expenses)											156,985
2018 (Baht 151.9 million included in manufacturing cost, and the balance in administrative expenses)											151,916

As described in Note 1.2 to the financial statements, as at 31 December 2018, the allowance for impairment loss on building, machines and equipment related to the clinker production at Takli plant was Baht 932 million (2017: Baht 935 million).

The Company arranged for an independent professional appraiser to appraise the value of land in 2017, using the market approach. Land were measured at fair value using level 3 of inputs.

Key assumptions used in the valuation are summarised below:

	The Company's land	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	35 - 10,500	Increase in fair value

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2018</u>	<u>2017</u>
Original cost	58,938	58,938
Surplus from revaluation	2,197,281	2,197,281
Revalued amount	2,256,219	2,256,219
Less: Allowance for impairment loss	(4,670)	(4,670)
Net book value	<u>2,251,549</u>	<u>2,251,549</u>

The Company recorded the revaluation increase in other comprehensive income for the year ended 31 December 2017 as follows:

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
<b>Other comprehensive income:</b>	
Gains on revaluations of land	1,005,633
Less: Effect of deferred tax	(201,126)
Gains on revaluations of land - net of income tax	<u>804,507</u>

As at 31 December 2018, 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 2,750 million (2017: Baht 2,680 million) (The Company only: Baht 2,602 million (2017: Baht 2,543 million)).

### 13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - related parties	468,246	304,159	401,751	277,902
Trade payables - unrelated parties	264,709	234,896	168,983	153,660
Other payables - related parties	105,950	158,823	16,488	72,817
Other payables - unrelated parties	86,842	115,552	72,255	102,817
Advance received from customers	4,258	3,403	592	619
Accrued expenses	36,357	51,619	24,528	37,491
<b>Total trade and other payables</b>	<b>966,362</b>	<b>868,452</b>	<b>684,597</b>	<b>645,306</b>

### 14. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	65,222	62,128	31,001	34,162
Included in profit or loss:				
Current service cost	3,107	4,136	1,693	2,951
Interest cost	1,714	1,633	806	877
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
- Demographic assumptions changes	-	140	-	(19)
- Financial assumptions changes	1,154	-	574	-
- Experience adjustments	(303)	7,823	670	3,292
Benefits paid during the year	(3,418)	(10,089)	(1,483)	(9,675)
Effect of transferred employees	(212)	(599)	(223)	(587)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<b>67,264</b>	<b>65,222</b>	<b>33,038</b>	<b>31,001</b>



The Company and its subsidiaries expect to pay Baht 2 million of long-term employee benefits during the next year (2017: Baht 2 million) (The Company only: Baht 0.5 million (2017: Baht 1 million)).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2017: 9 years) (The Company only: 9 years) (2017: 9 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Discount rate	2.5	2.7	2.5	2.7
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 2018 and 2017 are summarised below:

(Unit: Million Baht)

	2018				2017			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Discount rate	(66)	69	(32)	34	(64)	67	(30)	32
Salary increase rate	69	(66)	34	(32)	67	(64)	32	(30)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 9 million (The Company only: Baht 9 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective.

## 15. 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.

## 16. 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.

## 17. 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.

## 18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	108,480	128,433	79,575	98,196
Depreciation	162,506	168,320	151,916	156,985
Loss on impairment of assets (reversal)	(3,104)	144,379	(3,104)	144,379
Loss on obsolescence and impairment of raw materials, spare parts and supplies (reversal)	(9,334)	27,976	(9,334)	27,976
Doubtful debts/written off bad debts (reversal)	(496)	2,600	352	797
Rental expenses from operating lease agreements	19,945	19,191	4,123	4,768
Transportation expenses	104,967	96,202	-	-
Management fee	82,842	70,485	64,800	55,000
Repair and maintenance expenses	81,540	116,050	69,401	104,830
Raw materials used, consumables used and purchase of goods	1,814,487	1,139,561	1,339,226	755,673
Changes in inventories of finished goods, work in process and clinker	36,505	9,666	36,505	9,666

## 19. Income tax

Income tax expenses (benefits) for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Current income tax charge	5	552	-	-
Adjustment in respect of income tax of previous year	-	(81)	-	-
Write-off of non-refundable withholding tax deducted at source	256	199	24	27
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	164	(16,542)	201	(15,027)
<b>Income tax expenses (benefits) reported in the statement of comprehensive income</b>	<u>425</u>	<u>(15,872)</u>	<u>225</u>	<u>(15,000)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax on actuarial losses arising from post-employment benefits	170	1,603	249	655
Deferred tax on gain on revaluations of land	-	201,126	-	201,126
<b>Total</b>	<u>170</u>	<u>202,729</u>	<u>249</u>	<u>201,781</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting loss before tax	(14,047)	(207,547)	(1,720)	(192,421)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(2,809)	(41,509)	(344)	(38,484)
Adjustment in respect of income tax of previous year	-	(81)	-	-
Deferred taxes assets which were not recognised during the year:				
- Tax losses	2,407	-	-	-
- Transferred employee benefits	42	120	45	117
- Allowance for impairment loss of land	-	(134)	-	(134)
Utilisation of tax losses which were previously unrecognised deferred tax assets	-	(3)	-	-
Effects of non-deductible expenses	473	1,954	444	(108)
Effect of deferred tax from reversal tax losses expired	-	23,582	-	23,582
Adjustment in respect of deferred tax of previous year	56	-	56	-
Write-off of non-refundable withholding tax deducted at source	256	199	24	27
Income tax expenses (benefits) reported in the statement of comprehensive income	<u>425</u>	<u>(15,872)</u>	<u>225</u>	<u>(15,000)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	21,130	21,647	2,240	1,888
Allowance for diminution in value of inventories	160,119	169,453	160,119	169,453
Allowance for impairment loss of assets	206,497	307,989	206,497	307,989
Provision for long-term employee benefits	71,048	65,221	36,366	31,001
Provision for quarry restoration costs	14,945	16,137	14,945	16,137
Provision for demolishing cost	5,037	4,837	-	-
Tax losses	213,004	106,540	213,004	106,540
<b>Total</b>	<b>691,780</b>	<b>691,824</b>	<b>633,171</b>	<b>633,008</b>
Applicable tax rate	20%	20%	20%	20%
Deferred tax assets	<u>138,356</u>	<u>138,365</u>	<u>126,634</u>	<u>126,602</u>
<b>Deferred tax liabilities</b>				
Depreciation from changing useful lives of assets	8,923	8,997	8,923	8,997
Surplus from revaluation of land	2,197,281	2,197,281	2,197,281	2,197,281
<b>Total</b>	<b>2,206,204</b>	<b>2,206,278</b>	<b>2,206,204</b>	<b>2,206,278</b>
Applicable tax rate	20%	20%	20%	20%
Deferred tax liabilities	<u>441,241</u>	<u>441,256</u>	<u>441,241</u>	<u>441,256</u>

As at 31 December 2018, the Company and its subsidiaries have unused tax losses totalling of Baht 225 million (2017: Baht 107 million) (The Company only: Baht 213 million (2017: Baht 107 million)). However, a subsidiary has not been recognised deferred tax asset of Baht 12 million (2017: None) as the subsidiary believes its 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 losses are summarises as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
31 December 2022	106	107	106	107
31 December 2023	119	-	107	-
	<u>225</u>	<u>107</u>	<u>213</u>	<u>107</u>

## 20. Basic loss per share

Basic loss per share is calculated by dividing loss 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.

## 21. 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 two reportable segments as follows: (1) Manufacturing of cement and (2) Manufacturing of ready-mixed concrete. 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 2018 and 2017, 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 and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017.

(Unit: Million Baht)

	Consolidated financial statements							
	Cement segment		Ready-mixed concrete segment		Elimination of inter-segment revenues		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	1,746	1,669	686	595	-	-	2,432	2,264
Inter-segment revenues	15	14	-	-	(15)	(14)	-	-
Interest income	1	-	6	5	(2)	(2)	5	3
Other income	29	82	2	3	-	(10)	31	75
<b>Total revenues</b>	<b>1,791</b>	<b>1,765</b>	<b>694</b>	<b>603</b>	<b>(17)</b>	<b>(26)</b>	<b>2,468</b>	<b>2,342</b>
Cost of sales	1,559	1,544	672	572	(15)	(14)	2,216	2,102
Administrative expenses	71	74	22	22	-	-	93	96
Depreciation	152	157	11	11	-	-	163	168
Doubtful debts (reversal)	-	(3)	(1)	1	-	-	(1)	(2)
Other expenses	-	170	-	-	-	-	-	170
<b>Total expenses</b>	<b>1,782</b>	<b>1,942</b>	<b>704</b>	<b>606</b>	<b>(15)</b>	<b>(14)</b>	<b>2,471</b>	<b>2,534</b>
Profit (loss) before finance cost and income tax benefits	9	(177)	(10)	(3)	(2)	(12)	(3)	(192)
Finance cost	(11)	(16)	(2)	(2)	2	2	(11)	(16)
Income tax benefits	-	15	-	1	-	-	-	16
<b>Loss for the year</b>	<b>(2)</b>	<b>(178)</b>	<b>(12)</b>	<b>(4)</b>	<b>-</b>	<b>(10)</b>	<b>(14)</b>	<b>(192)</b>

## 22. 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 5 - 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 2018 amounting to approximately Baht 6 million (2017: Baht 7 million) were recognised as expenses.

## 23. Commitments and contingent liabilities

### 23.1 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 12 years.

Lease payment obligations under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable:				
In up to 1 year	13	12	4	4
In over 1 and up to 5 years	12	10	2	3
In over 5 years	3	-	-	-

### 23.2 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. Agreement holds for a period of 10 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 related 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 related to repair and maintenance of machines and equipment. There were commitments to be payable under those agreements as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable:				
In up to 1 year	33	12	25	7
In over 1 and up to 5 years	15	2	9	1



### 23.3 Purchase of goods and raw materials commitment

As at 31 December 2018, the Company and its subsidiaries have entered into agreements to purchase of goods and raw materials which fixed value of approximately Baht 282 million (2017: Baht 276 million) (The Company only: Baht 243 million (2017: Baht 221 million)) and another agreements which values will be based on the purchase volume in the future and prices specified in the agreements.

### 23.4 Bank guarantees

The Company and its subsidiaries have outstanding bank guarantees issued by banks on behalf of the Company and the subsidiaries as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Guarantee electricity use	45	45	43	43
Other guarantees	2	2	2	2

## 24. Financial instruments

### 24.1 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 comprises cash and cash equivalents, trade and other receivables, loan receivables, investments, trade and other payables and loans. The financial risks associated with these financial instruments and the risk management policies are described below.

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

The Company and its subsidiaries exposed to credit risk primarily with respect to trade accounts receivable, loans and other receivable. 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 they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

### Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to its cash at banks, loan receivables and payables. Most of the Company and its subsidiaries' financial assets and liabilities bear no interest or floating interest rates or fixed interest rates which are closed to the market rate.

As at 31 December 2018 and 2017, significant financial assets and liabilities are classified by type of interest rate are summarised in the table below. Financial assets and liabilities that carry fixed interest rates are further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					Effective interest rate (% per annum)
	2018					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash equivalent	270	-	184	12	466	0.37 - 1.50
Trade and other receivables	-	-	-	629	629	-
Long-term loans to unrelated parties	3	1	-	-	4	2.00
	<u>273</u>	<u>1</u>	<u>184</u>	<u>641</u>	<u>1,099</u>	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	966	966	-
Long-term loans from related parties	-	-	13	-	13	1.93
	<u>-</u>	<u>-</u>	<u>13</u>	<u>966</u>	<u>979</u>	

(Unit: Million Baht)

	Consolidated financial statements					Effective interest rate (% per annum)
	2017					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash equivalent	210	-	277	18	505	0.37 - 1.23
Trade and other receivables	-	-	-	509	509	-
Long-term loans to unrelated parties	3	4	-	-	7	2.00
	<u>213</u>	<u>4</u>	<u>277</u>	<u>527</u>	<u>1,021</u>	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	868	868	-
Long-term loans from related parties	-	-	105	-	105	3.93
	<u>-</u>	<u>-</u>	<u>105</u>	<u>868</u>	<u>973</u>	

(Unit: Million Baht)

	Separate financial statements					
	2018					
	Fixed interest rates			Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate			
<b>Financial assets</b>						
Cash and cash equivalent	105	-	138	11	254	0.37 - 0.38
Trade and other receivables	-	-	-	358	358	-
Investment in subsidiaries	-	-	-	286	286	-
	<u>105</u>	<u>-</u>	<u>138</u>	<u>655</u>	<u>898</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	685	685	-
Long-term loans from related parties	-	-	71	-	71	1.93 - 3.45
	<u>-</u>	<u>-</u>	<u>71</u>	<u>685</u>	<u>756</u>	

(Unit: Million Baht)

	Separate financial statements					
	2017					
	Fixed interest rates			Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate			
<b>Financial assets</b>						
Cash and cash equivalent	-	-	229	18	247	0.37 - 0.38
Trade and other receivables	-	-	-	338	338	-
Investment in subsidiaries	-	-	-	286	286	-
	<u>-</u>	<u>-</u>	<u>229</u>	<u>642</u>	<u>871</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	645	645	-
Long-term loans from related parties	-	-	164	-	164	3.47 - 3.93
	<u>-</u>	<u>-</u>	<u>164</u>	<u>645</u>	<u>809</u>	

### **Foreign currency risk**

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

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

Foreign currency	Financial liabilities as at 31 December		Selling exchange rate as at 31 December	
	<u>2018</u> (Million)	<u>2017</u> (Million)	<u>2018</u> (Baht per 1 foreign currency unit)	<u>2017</u>
Euro	0.03	0.06	37.4884	39.3938
US dollar	0.05	-	32.6148	-

## 24.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature, loan receivables and loans carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## 25. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate capital structure in order to support their business and maximise shareholders value. As at 31 December 2018, the Company and its subsidiaries' debt-to-equity ratio was 0.48:1 (2017: 0.47:1) and the Company's was 0.40:1 (2017: 0.41:1).

## 26. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2019.





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