

รายงานประจำปี

ANNUAL REPORT

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บริษัท ปูนซีเมนต์เอเชีย จำกัด (มหาชน)

Asia Cement

Public Company Limited

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Annual Report 2016



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Message from the Chairman

Asia Cement Public Co., Ltd.



The year 2016 was a rather disappointing year in terms of the firm's profit performance due to an increase in the market competition. We experienced an increase in cement supply capacity, as well as a decrease in demand in Thailand. Total demand in Thailand in 2016 registered 34 million tons, a decrease of 1.6 percent from 2015.

As a result, the Company recorded revenue of Baht 9,687 million, a decrease of 13 percent, while the total net profit was Baht 821 million, a decrease of 48 percent compared to the year before.

However, your Company continued to invest and excel in the areas of good corporate governance and environmental social governance.

The Pukrang Plant was awarded with the "Green Mining" award from the Department of Primary Industries and Mines, Ministry of Industry for the 8th consecutive year, demonstrating the Company's awareness of social responsibility and competence in environmental management.

The Company realizes that instilling environmental consciousness and developing human resources can lead to a sustainable society. Therefore, the Company continues to give scholarships and to organize extra curricular activities for students who have financial needs.

In addition, the Pukrang Plant is supporting various programs in accordance with the sustainable development policy of the Company, donating the VDO Laryngoscope to Phra Phutthabat Hospital in Saraburi, providing health check-ups for local communities as well as visiting mothers and infants, and cooperating with Na Phra Lan sub-district officers to support the 'Street Sweeping' project, aimed to clean up the Na Phra Lan area in close proximity to the plant. Furthermore, the "25 Renewable Energy Schools Project", initiated to celebrate 25 years of the Company's operation, was successfully implemented in 25 schools. This allowed the schools to reduce their electricity bills up to 1.1 million Baht and CO₂ emission by 112,500 kilograms per year in total.

The Company has been able to sustain its good environmental and social governance activities due to the support from our clients, employees and shareholders. On behalf of the Board of Directors and management, I would like to thank you.

A handwritten signature in blue ink, appearing to be 'Chong Toh', written over a horizontal line.

Mr. Chong Toh
Chairman of the Board

Board of Directors, Executive Committee

Asia Cement Public Company Limited

Board of Directors

As of 31 December 2016

Chairman

Mr. Chong Toh

Directors

Mr. Kevin Gerard Gluskie

Mr. Fong Wei Kurk

Miss Sim Soek Peng

Mr. Juan-Francisco Defalque

Mr. Nithi Patarachoke

Mr. Thanet Earsakul

Mr. Uran Kleosakul

Mr. Rapee Sukhyanga

Mr. Roberto Callieri

Mr. Claudio Dealberti

Mr. Nopadol Ramyarupa

Executive Committee

As of 31 December 2016

Chairman

Mr. Chong Toh

Directors

Mr. Roberto Callieri

Mr. Kevin Gerard Gluskie

Mr. Claudio Dealberti

Managing Director

Mr. Nopadol Ramyarupa

Managing Director



1. Basic Information of the Company

Company:	Asia Cement Public Company Limited
Establishment:	August 23, 1989
Head Office:	23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok
Plant:	Pukrang, 4/1 Moo 1, Yotha Sai 2, Tambon Pukrang, Amphur Pra Buddhabat, Saraburi Province
Type of Business:	Cement Production and Sale
Registration No.:	0107539000197 (Previous No. Bor Mor Jor. 620)
Registered Capital at the Beginning:	
Registered Capital	Baht 4,290,000,000
Paid up Capital	Baht 4,290,000,000 comprising common share of 429,000,000 shares
Par Value	Common Share, Baht 10 per share
Registered Capital in the Present Year:	
Registered Capital	Baht 4,670,523,072
Paid up Capital	Baht 4,670,523,072 comprising common share of 778,420,512 shares
Par Value	Common Share, Baht 6 per share

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

2.1 Asia Cement Products Company Limited:

Common Shares amounting to 999,997 shares which equals to 99.99%.

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

Type of Business: Ready-mixed Concrete Production and Sale

2.2 Asia Cement Energy Conservation Company Limited:

Common Shares amounting to 13,999,995 shares which equals to 99.99%.

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

Type of Business: Electric Energy Generating and Sale

2.3 Jalaprathan Cement Public Company Limited:

Common Shares amounting to 106,603,319 shares which equals to 88.84%.

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

Type of Business: Cement Production and Sale

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

4. The Company's Board of Directors does not share interests on any contracts being made by the Company during the accounting period.
5. The list of all Board of Directors of the Company and shares holding by Directors in the Company and subsidiaries in current accounting period and past accounting period is increasing or decreasing as follows:

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

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Thanet Earsakul	1,200,000	1,200,000	Not Change
2. Mr. Nopadol Ramyarupa	80,000	80,000	Not Change
3. Mr. Fong Wei Kurk	No	No	No
4. Mr. Rapee Sukhyanga	No	No	No
5. Mr. Kevin Gerard Gluskie	No	No	No
6. Mr. Chong Toh	No	No	No
7. Miss Sim Soek Peng	No	No	No
8. Mr. Claudio Dealberti	No	No	No
9. Mr. Uran Kleosakul	1,468,906	1,468,906	Not Change
10. Mr. Roberto Callieri	No	No	No
11. Mr. Nithi Patarachoke	No	No	No
12. Mr. Juan-Francisco Defalque	No	No	No

5.2 The holding of Board of Directors in a subsidiary, that is, Asia Cement Products Company Limited is as follows:

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Nopadol Ramyarupa	1	1	Not Change
2. Mr. Claudio Dealberti	No	No	No

5.3 The holding of Board of Directors in a subsidiary, that is, Asia Cement Energy Conservation Company Limited is as follows:

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

5.4 The holding of Board of Directors in a subsidiary, that is, Jalapathan Cement Public Company Limited is as follows:

Name of Director	Number of Shares Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Nopadol Ramyarupa	No	No	No
2. Mr. Claudio Dealberti	No	No	No
3. Mr. Rapee Sukhyanga	No	No	No
4. Mr. Roberto Callieri	No	No	No
5. Mr. Kevin Gerard Gluskie	No	No	No

6. The remuneration of Board of Directors paid in 2016

Name of Director	Remuneration (Baht)
1. Mr. Thanet Earsakul	360,000
2. Mr. Nopadol Ramyarupa	360,000
3. Mr. Fong Wei Kurk	180,000
Mr. Giovanni Maggiora	180,000
4. Mr. Rapee Sukhyanga	360,000
5. Mr. Kevin Gerard Gluskie	180,000
Mr. Giovanni Battista Ferrario	180,000
6. Mr. Chong Toh	540,000
7. Miss Sim Soek Peng	180,000
Mr. Agostino Nuzzolo	180,000
8. Mr. Claudio Dealberti	180,000
Mr. Roberto Callieri	180,000
9. Mr. Uran Kleosakul	360,000
10. Mr. Roberto Callieri	180,000
Mr. Michele Pennazio	90,000
11. Mr. Nithi Patarachoke	360,000
12. Mr. Juan-Francisco Defalque	60,000
Mr. Philippe Henry Lucien Staib	300,000
Total	4,410,000

Remarks:

- Pursuant to the resolution of the Board of Directors meeting dated 15th July 2016, the meeting's resolution has appointed directors as follows:
 1. Mr. Fong Wei Kurk as a Director in place of Mr. Giovanni Maggiora.
 2. Mr. Kevin Gerard Gluskie as a Director in place of Mr. Giovanni Battista Ferrario.
 3. Miss Sim Soek Peng as a Director in place of Mr. Agostino Nuzzolo.
 4. Mr. Claudio Dealberti as a Director in place of Mr. Roberto Callieri.
 5. Mr. Roberto Callieri as a Director in place of Mr. Michele Pennazio.
- Pursuant to the resolution of the Board of Directors meeting dated 17th October 2016, the meeting's resolution has appointed Mr. Juan-Francisco Defalque as a Director in place of Mr. Philippe Henry Lucien Staib.

Independent Auditor's Report

To the Shareholders of Asia Cement Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Asia Cement Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Asia 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 Asia Cement Public Company Limited and its subsidiaries and of Asia Cement Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King that are 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Termphong Opanaphan.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 24 February 2017

Asia Cement Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	6, 7	6,127,782,281	5,566,117,136	4,928,676,147	4,556,880,770
Trade and other receivables	8	1,664,355,581	1,854,666,134	1,241,845,168	1,398,821,751
Current portion of long-term loans to related party	7	-	-	270,000,000	165,000,000
Current portion of long-term loans to non related parties	11	5,634,829	7,162,132	-	-
Inventories	9	1,627,719,162	1,618,865,687	1,046,877,170	1,086,657,687
Input tax refundable		52,730,115	72,172,568	17,815,468	19,958,102
Other current assets		17,269,239	21,509,362	8,778,661	10,837,163
Total current assets		9,495,491,207	9,140,493,019	7,513,992,614	7,238,155,473
Non-current assets					
Investments in subsidiaries	10	-	-	2,601,031,893	2,601,031,893
Other long-term investment		1,000,000	1,000,000	1,000,000	1,000,000
Long-term loan to related party - net of current portion	7	-	-	-	215,000,000
Long-term loans to non-related parties - net of current portion	11	12,414,347	18,049,176	-	-
Property, plant and equipment	12	6,130,670,531	6,486,575,850	2,801,506,652	3,085,133,056
Intangible assets	13	59,224,593	72,280,110	59,224,593	72,280,110
Deferred tax assets	14	235,366,695	197,219,043	104,334,641	98,643,880
Advance payment for purchase of assets		2,340,826	1,153,500	2,340,825	-
Other non-current assets		60,476,766	63,949,250	53,739,604	58,134,639
Total non-current assets		6,501,493,758	6,840,226,929	5,623,178,208	6,131,223,578
Total assets		15,996,984,965	15,980,719,948	13,137,170,822	13,369,379,051

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

Asia Cement Public Company Limited and its subsidiaries**Statement of financial position (continued)****As at 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	7, 15	-	130,000,000	-	-
Trade and other payables	16	2,171,193,751	1,958,128,793	1,416,463,189	1,383,632,113
Income tax payable		26,905,276	120,858,174	26,382,564	118,720,681
Short-term provisions		14,401,000	-	14,401,000	-
Other current liabilities		34,375,136	40,583,936	18,824,086	24,820,147
Total current liabilities		2,246,875,163	2,249,570,903	1,476,070,839	1,527,172,941
Non-current liabilities					
Provision for long-term employee benefits	17	207,609,832	211,270,647	136,528,070	139,056,055
Long-term provisions		28,192,322	19,627,691	12,903,653	15,657,853
Deferred tax liabilities	14	255,923,540	256,314,321	15,925,126	16,243,296
Other non-current liabilities		27,285,193	14,452,597	-	-
Total non-current liabilities		519,010,887	501,665,256	165,356,849	170,957,204
Total liabilities		2,765,886,050	2,751,236,159	1,641,427,688	1,698,130,145
Shareholders' equity					
Share capital					
Registered					
778,420,512 ordinary shares of Baht 6 each		4,670,523,072	4,670,523,072	4,670,523,072	4,670,523,072
Issued and fully paid					
778,420,512 ordinary shares of Baht 6 each		4,670,523,072	4,670,523,072	4,670,523,072	4,670,523,072
Share premium		4,612,220,396	4,612,220,396	4,612,220,396	4,612,220,396
Retained earnings					
Appropriated - statutory reserve	18	467,052,307	467,052,307	467,052,307	467,052,307
Unappropriated		2,782,434,012	2,799,576,220	1,704,385,537	1,879,891,309
Other components of shareholders' equity	19	412,366,473	412,366,473	41,561,822	41,561,822
Equity attributable to owners of the Company		12,944,596,260	12,961,738,468	11,495,743,134	11,671,248,906
Non-controlling interests of the subsidiaries		286,502,655	267,745,321	-	-
Total shareholders' equity		13,231,098,915	13,229,483,789	11,495,743,134	11,671,248,906
Total liabilities and shareholders' equity		15,996,984,965	15,980,719,948	13,137,170,822	13,369,379,051

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

Asia Cement Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		9,574,019,684	10,892,984,618	6,491,123,336	7,631,280,678
Interest income		66,145,045	75,057,625	62,825,586	67,148,701
Management fee income		840,000	840,000	78,149,277	72,421,395
Dividend income	10	-	-	195,999,930	251,999,892
Gains on sales of assets		-	98,796,232	379,106	94,329
Other income		45,659,404	60,376,912	33,923,066	64,086,427
Total revenues		9,686,664,133	11,128,055,387	6,862,400,301	8,087,031,422
Expenses					
Cost of sales		7,999,233,335	8,519,985,995	5,408,678,891	5,920,417,601
Selling expenses		216,434,832	204,359,359	203,980,814	190,720,783
Administrative expenses		533,104,355	519,228,692	472,927,342	435,911,110
Total expenses		8,748,772,522	9,243,574,046	6,085,587,047	6,547,049,494
Profit before finance cost and income tax expenses		937,891,611	1,884,481,341	776,813,254	1,539,981,928
Finance cost		(35,174,803)	(54,046,680)	(18,863,284)	(23,730,205)
Profit before income tax expenses		902,716,808	1,830,434,661	757,949,970	1,516,251,723
Income tax expenses	14	(81,791,368)	(253,532,950)	(111,567,608)	(253,896,132)
Profit for the year		820,925,440	1,576,901,711	646,382,362	1,262,355,591
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains (losses) arising from post-employment benefits, net of income tax	14, 17	(1,966,142)	(5,986,725)	(4,546,597)	278,543
Other comprehensive income for the year		(1,966,142)	(5,986,725)	(4,546,597)	278,543
Total comprehensive income for the year		818,959,298	1,570,914,986	641,835,765	1,262,634,134
Profit attributable to:					
Equity holders of the Company		802,478,300	1,535,458,771	646,382,362	1,262,355,591
Non-controlling interests of the subsidiaries		18,447,140	41,442,940		
		820,925,440	1,576,901,711		
Total comprehensive income attributable to:					
Equity holders of the Company		800,199,329	1,530,083,530	641,835,765	1,262,634,134
Non-controlling interests of the subsidiaries		18,759,969	40,831,456		
		818,959,298	1,570,914,986		
Basic earnings per share					
Profit attributable to equity holders of the Company	21	1.03	1.97	0.83	1.62

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

Asia Cement Public Company Limited and its subsidiaries**Cash flow statement****For the year ended 31 December 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	902,716,808	1,830,434,661	757,949,970	1,516,251,723
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	844,502,535	861,627,048	569,384,528	598,635,349
Depletion and amortisation	13,063,507	12,993,265	13,063,507	12,993,265
Allowance for doubtful accounts (reversal)	11,780,271	13,150,697	997,363	(413,514)
Reduction of inventory to net realisable value (reversal)	15,604,234	(630,058)	20,145,575	4,338,440
Reversal allowance for impairment loss on assets	(34,548,027)	(2,116,493)	(1,807,944)	(993,293)
Provision for long-term employee benefits	20,627,637	16,348,220	13,736,759	11,616,714
Long-term provisions (reversal)	(10,865,862)	6,831,544	(10,865,862)	6,831,544
Provision for quarry restoration costs	21,662,875	2,278,000	8,428,500	200,000
Written off bad debts	376,552	3,755,630	20,640	3,352,390
Written off assets	891,903	-	-	-
Gains on sales of investment property	-	(100,235,000)	-	-
(Gains) losses on sales of plant and equipment	(614,353)	1,433,572	(379,106)	(94,329)
Unrealised (gains) losses on exchange	(206,870)	204,949	(197,878)	90,572
Dividend income from subsidiary	-	-	(195,999,930)	(251,999,892)
Interest income	(61,945,368)	(72,064,419)	(59,904,140)	(64,414,880)
Interest expenses	1,111,233	18,866,720	37,292	90,226
Income from operating activities before changes in operating assets and liabilities	1,724,157,075	2,592,878,336	1,114,609,274	1,836,484,315
Operating assets (increase) decrease				
Trade and other receivables	178,307,367	221,856,657	157,109,240	266,484,327
Inventories	(126,442,128)	28,050,126	(56,327,880)	14,476,371
Other current assets	21,966,990	25,453,318	4,201,136	2,018,951
Other non-current assets	3,472,484	(10,888,228)	4,395,035	(10,972,734)
Operating liabilities increase (decrease)				
Trade and other payables	97,773,601	(18,577,517)	(37,994,021)	(3,787,382)
Short-term provisions	14,401,000	(10,247,110)	14,401,000	(10,247,110)
Other current liabilities	(6,208,800)	(6,261,362)	(5,996,061)	(3,759,878)
Provision for long-term employee benefits	(26,746,130)	(1,817,900)	(21,947,990)	(1,000,000)
Provision for quarry restoration costs	(2,232,382)	(1,654,757)	(316,838)	(531,593)
Other non-current liabilities	12,832,596	14,452,597	-	-
Cash from operating activities	1,891,281,673	2,833,244,160	1,172,132,895	2,089,165,267
Cash receipt from previous year income tax	1,715,586	674,579	-	-
Cash paid for income tax	(213,791,164)	(322,131,140)	(208,778,007)	(309,858,257)
Net cash from operating activities	1,679,206,095	2,511,787,599	963,354,888	1,779,307,010

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

Asia Cement Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Cash paid for loan in subsidiary	-	-	-	(380,000,000)
Cash receipt from long-term loan to subsidiary	-	-	110,000,000	-
Acquisition of plant and equipment	(238,224,919)	(280,456,177)	(137,235,857)	(184,895,633)
Acquisition of intangible assets	(7,990)	(10)	(7,990)	(10)
Down payment Fixed Assets	(1,187,326)	-	(2,340,825)	-
Proceeds from sales of investment property	-	200,000,000	-	-
Proceeds from sales of plant and equipment	1,385,375	3,592,326	650,580	749,970
Dividend income from subsidiary	-	-	195,999,930	251,999,892
Cash receipt from long-term loans to non-related parties	7,163,132	6,479,627	-	-
Interest income	61,794,731	73,819,496	58,753,480	66,479,435
Net cash from (used in) investing activities	(169,076,997)	3,436,262	225,819,318	(245,666,346)
Cash flows from financing activities				
Decrease in short-term loans from financial institution	(130,000,000)	(150,000,000)	-	-
Repayment of long term loans from related parties	-	(499,236,474)	-	-
Dividend paid	(817,341,537)	(817,341,537)	(817,341,537)	(817,341,537)
Dividend paid to non-controlling interest	(2,635)	(3,338)	-	-
Interest expenses	(1,119,781)	(21,891,346)	(37,292)	(90,226)
Net cash used in financing activities	(948,463,953)	(1,488,472,695)	(817,378,829)	(817,431,763)
Net increase in cash and cash equivalents	561,665,145	1,026,750,166	371,795,377	716,208,901
Cash and cash equivalents at beginning of year	5,566,117,136	4,539,366,970	4,556,880,770	3,840,671,869
Cash and cash equivalents at end of year	6,127,782,281	5,566,117,136	4,928,676,147	4,556,880,770
Supplemental cash flows information				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	115,506,775	127,770,546	71,022,975	65,369,322
Transferred cement and spare parts to construction in progress during the year	101,984,419	79,134,141	75,962,822	65,892,753
Transferred advance payment for assets to construction in progress during the year	-	5,175,158	-	5,080,830
An outstanding receivable from sales of assets	4,000	-	-	-

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

Asia Cement Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Equity attributable to owners of the Company				Other components of equity			Equity		
		Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of land	Surplus from purchase non-controlling interests of the subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated						
Balance as at 1 January 2015		4,670,523,072	4,612,220,396	435,207,000	2,118,679,534	79,120,541	333,245,932	412,366,473	12,248,996,475	226,917,203	12,475,913,678
Profit for the year		-	-	-	1,535,458,771	-	-	-	1,535,458,771	41,442,940	1,576,901,711
Other comprehensive income for the year		-	-	-	(5,375,241)	-	-	-	(5,375,241)	(611,484)	(5,986,725)
Total comprehensive income for the year		-	-	-	1,530,083,530	-	-	-	1,530,083,530	40,831,456	1,570,914,986
Dividend paid	24	-	-	-	(817,341,537)	-	-	-	(817,341,537)	-	(817,341,537)
Decrease in non-controlling interests of the subsidiary from of dividend payment of the subsidiary		-	-	-	-	-	-	-	-	(3,338)	(3,338)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	31,845,307	(31,845,307)	-	-	-	-	-	-
Balance as at 31 December 2015		<u>4,670,523,072</u>	<u>4,612,220,396</u>	<u>467,052,307</u>	<u>2,799,576,220</u>	<u>79,120,541</u>	<u>333,245,932</u>	<u>412,366,473</u>	<u>12,961,738,468</u>	<u>267,745,321</u>	<u>13,229,483,789</u>
Balance as at 1 January 2016		4,670,523,072	4,612,220,396	467,052,307	2,799,576,220	79,120,541	333,245,932	412,366,473	12,961,738,468	267,745,321	13,229,483,789
Profit for the year		-	-	-	802,478,300	-	-	-	802,478,300	18,447,140	820,925,440
Other comprehensive income for the year		-	-	-	(2,278,971)	-	-	-	(2,278,971)	312,829	(1,966,142)
Total comprehensive income for the year		-	-	-	800,199,329	-	-	-	800,199,329	18,759,969	818,959,298
Dividend paid	24	-	-	-	(817,341,537)	-	-	-	(817,341,537)	-	(817,341,537)
Decrease in non-controlling interests of the subsidiary from of dividend payment of the subsidiary		-	-	-	-	-	-	-	-	(2,635)	(2,635)
Balance as at 31 December 2016		<u>4,670,523,072</u>	<u>4,612,220,396</u>	<u>467,052,307</u>	<u>2,782,434,012</u>	<u>79,120,541</u>	<u>333,245,932</u>	<u>412,366,473</u>	<u>12,944,596,260</u>	<u>286,502,655</u>	<u>13,231,098,915</u>

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

Asia Cement Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements								
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of land	Total other components of shareholders' equity	
Balance as at 1 January 2015		4,670,523,072	4,612,220,396	435,207,000	1,466,444,019	41,561,822	41,561,822	11,225,956,309
Profit for the year		-	-	-	1,262,355,591	-	-	1,262,355,591
Other comprehensive income for the year		-	-	-	278,543	-	-	278,543
Total comprehensive income for the year		-	-	-	1,262,634,134	-	-	1,262,634,134
Dividend paid	24	-	-	-	(817,341,537)	-	-	(817,341,537)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	31,845,307	(31,845,307)	-	-	-
Balance as at 31 December 2015		<u>4,670,523,072</u>	<u>4,612,220,396</u>	<u>467,052,307</u>	<u>1,879,891,309</u>	<u>41,561,822</u>	<u>41,561,822</u>	<u>11,671,248,906</u>
Balance as at 1 January 2016		4,670,523,072	4,612,220,396	467,052,307	1,879,891,309	41,561,822	41,561,822	11,671,248,906
Profit for the year		-	-	-	646,382,362	-	-	646,382,362
Other comprehensive income for the year		-	-	-	(4,546,597)	-	-	(4,546,597)
Total comprehensive income for the year		-	-	-	641,835,765	-	-	641,835,765
Dividend paid	24	-	-	-	(817,341,537)	-	-	(817,341,537)
Balance as at 31 December 2016		<u>4,670,523,072</u>	<u>4,612,220,396</u>	<u>467,052,307</u>	<u>1,704,385,537</u>	<u>41,561,822</u>	<u>41,561,822</u>	<u>11,495,743,134</u>

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

Asia Cement Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2016****1. General information**

Asia Cement Public Company Limited (“the Company”) is a public company incorporated and domiciled 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.

Pukrang factory: 4/1 Moo1, Yothasai 2 Road, Tambon Pukrang, Amphur Praphutthabat, Saraburi.

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

As at 31 December 2016, the subsidiary maintain the impairment loss on buildings, machines, equipment and spare parts related to clinker production at Takli plant same as recorded in 2009, eventhough it produced clinker in year 2013 but not at normal production capacity.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding	
		2016	2015
		%	%
<u>Held by the Company</u>			
Jalaprathan Cement Plc.	Manufacturing of cement	88.84	88.84
Asia Cement Products Co., Ltd.	Manufacturing of ready-mixed concrete	99.99	99.99
Asia Cement Energy Conservation Co., Ltd.	Generate electricity	99.99	99.99
<u>Held by Jalaprathan Cement Plc.</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 subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

- a) Investments in non-marketable equity securities, which the Company classify as other investments, are stated at cost net of allowance for impairment loss of investment (if any).
- b) 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).

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

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

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

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

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

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

4.7 Intangible assets

Intangible assets (leasehold right on office building and computer software) are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and impairment losses (if any).

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

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

	<u>Useful lives</u>
Leasehold right on office building	25 years
Computer software	10 years

Mining concessions represent cost of mining concession, plus if applicable any other concession fees, are stated at cost and being depleted using the ratio of the actual units of limestone extracted for the year and total number of extractable limestone units.

4.8 Related party transactions

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

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

4.9 Long-term leases

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

4.10 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

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

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

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

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.13 Provisions

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

4.14 Income Tax

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

Current tax

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

Deferred Tax

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

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

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

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

4.15 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgments and estimates

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

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's plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent value 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 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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	35	76	35	76
Bank deposits	6,127,747	5,566,041	4,928,641	4,556,805
Total	<u>6,127,782</u>	<u>5,566,117</u>	<u>4,928,676</u>	<u>4,556,881</u>

As at 31 December 2016, bank deposits in saving accounts and fixed accounts carried interest at rates between 0.2 and 1.4 percent per annum (2015: between 0.3 and 1.7 percent per annum) (Separate financial statements: between 0.2 and 1.4 percent per annum (2015: between 0.3 and 1.7 percent per annum)).

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	520	622
Sales of water and waste heat	-	-	18	16
Management fee income	-	-	91	88
Interest income	-	-	7	1
Purchases of goods	-	-	30	48
Purchases of electricity	-	-	368	360
<u>Transactions with related companies</u>				
Sales of goods	689	535	689	535
Interest income	25	31	19	26
Purchases of raw materials	103	101	82	83
Management fee expenses	60	64	59	63
Technical fee	8	15	2	10
Interest expenses	1	16	-	-
Software license fee	10	14	10	14
Consultant fee	-	9	-	9

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Bank deposits with related party</u>				
Related financial institution (related by common shareholders)	2,727,425	2,209,160	1,897,747	1,775,840
Total bank deposits with related party	<u>2,727,425</u>	<u>2,209,160</u>	<u>1,897,747</u>	<u>1,775,840</u>
<u>Trade and other receivables - related parties</u>				
<u>(Note 8)</u>				
Subsidiaries	-	-	314,099	331,972
Related companies (related by common shareholders)	148,772	99,775	148,772	99,775
Total trade and other receivables - related parties	<u>148,772</u>	<u>99,775</u>	<u>462,871</u>	<u>431,747</u>
<u>Long-term loans to related party</u>				
Subsidiary	-	-	270,000	380,000
Less: Portion due within one year	-	-	(270,000)	(165,000)
Long-term loans to related party - net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,000</u>
<u>Short-term loans from related party (Note 15)</u>				
Related financial institution (related by common shareholders)	-	130,000	-	-
Total short-term loans from related party	<u>-</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	86,052	82,627
Related companies (related by common shareholders)	80,783	48,987	76,673	36,946
Total trade and other payables - related parties	<u>80,783</u>	<u>48,987</u>	<u>162,725</u>	<u>119,573</u>

Long-term loans to Jalaprathan Cement Plc. (subsidiary)

The outstanding balance as at 31 December 2016 represented unsecured loan of Baht 270 million carrying interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 1.0 percent per annum. The loan and interest are repayable on a quarterly basis within 2017.

Directors and management benefits

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	37	32	30	25
Post-employment benefits	1	1	1	1
Total	38	33	31	26

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>				
Age of receivables				
Not yet due	101,572	98,203	246,324	309,758
Past due				
Up to 3 months	47,007	-	162,091	100,948
3 - 6 months	-	-	23,984	1,420
Total trade receivables - related parties	148,579	98,203	432,399	412,126
<u>Trade receivables - unrelated parties</u>				
Age of receivables				
Not yet due	1,196,396	1,371,948	626,676	779,548
Past due				
Up to 3 months	235,914	319,412	115,681	169,637
3 - 6 months	38,592	19,509	24,328	4,937
6 - 12 months	13,902	29,535	2,898	2,869
Over 12 months	52,401	18,522	4,453	3,503
Total	1,537,205	1,758,926	774,036	960,494
Less: Allowance for doubtful accounts	(39,192)	(27,412)	(4,825)	(3,827)
Total trade receivables - unrelated parties, net	1,498,013	1,731,514	769,211	956,667
Total trade receivables - net	1,646,592	1,829,717	1,201,610	1,368,793
<u>Other receivables</u>				
Other receivables - related parties	193	1,572	30,472	19,621
Other receivables - unrelated parties	17,571	23,377	9,763	10,408
Total other receivables	17,764	24,949	40,235	30,029
Total trade and other receivables - net	1,664,356	1,854,666	1,241,845	1,398,822

Approximately Baht 61.2 million of the Company's trade accounts receivable as at 31 December 2016 was factoring with recourse to a bank (2015: Baht 11.5 million). The amount received from factoring has been recorded as a secured liability under the caption of "Trade and other payables" in the statement of financial position.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	144,822	154,973	-	-	144,822	154,973
Work in process	466,249	316,789	(2,000)	(2,000)	464,249	314,789
Raw materials	513,908	620,660	(27,400)	(23,125)	486,508	597,535
Spare parts and supplies	925,231	928,460	(401,524)	(390,194)	523,707	538,266
Good in transit	8,434	13,303	-	-	8,434	13,303
Total	2,058,644	2,034,185	(430,924)	(415,319)	1,627,720	1,618,866

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	70,903	95,759	-	-	70,903	95,759
Work in process	281,338	198,432	-	-	281,338	198,432
Raw materials	336,885	421,601	(23,395)	(19,120)	313,490	402,481
Spare parts and supplies	641,286	639,038	(266,052)	(250,181)	375,234	388,857
Good in transit	5,912	1,129	-	-	5,912	1,129
Total	1,336,324	1,355,959	(289,447)	(269,301)	1,046,877	1,086,658

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 56 million (2015: Baht 27 million) (Separate financial statement: Baht 56 million (2015: Baht 23 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 40 million (2015: Baht 28 million) (Separate financial statement: Baht 36 million (2015: Baht 19 million)), and reduced the amount of inventories recognised as expenses during the year.

As described in Note 1 to the financial statements as at 31 December 2016, the subsidiary maintain the impairment of spare parts of machines related to clinker production at Takli plant amounting to Baht 24 million (2015: Baht 27 million).

10. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2016	2015	2016 (%)	2015 (%)	2016	2015	2016	2015
Jalaprathan Cement Plc.	1,200,000	1,200,000	88.84	88.84	1,191,032	1,191,032	-	-
Asia Cement Products Co., Ltd.	10,000	10,000	99.99	99.99	10,000	10,000	-	-
Asia Cement Energy								
Conservation Co., Ltd	1,400,000	1,400,000	99.99	99.99	1,400,000	1,400,000	196,000	252,000
Total					<u>2,601,032</u>	<u>2,601,032</u>	<u>196,000</u>	<u>252,000</u>

(Unit: Thousand Baht)

11. Long-term loans to non-related parties

The outstanding balance represented the subsidiary's unsecured loans to non-related parties. The terms of the agreements are generally between 6 and 7 years. Principal and interests are payable on a monthly basis, bearing interest at a rate of 2 percent per annum.

12. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Assets used in the operations							Unused assets but not classified as held for sale					Total
	Revaluation basis	Cost basis						Revaluation basis	Cost basis				
		Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles		Construction in progress	Land	Buildings, leasehold improvement and structures	Machinery, tools and equipment	
Cost/Revalued amount:													
As at 1 January 2015	1,689,351	613,888	4,407,027	15,864,037	332,811	830,582	747,893	63,535	275,469	1,261,535	109,131	76,440	26,271,699
Additions	-	-	-	6,562	377	-	485,597	-	-	-	-	-	492,536
Disposals/write-off	-	-	(3,639)	(36,563)	(914)	(55,996)	(810)	-	-	(537)	-	-	(98,459)
Transfer between accounts	-	-	66,467	346,600	18,053	66,990	(504,503)	-	-	-	-	-	(6,393)
Transfer to assets used in the operations	63,535	-	-	1,123	-	17,204	-	(63,535)	-	-	(17,204)	(1,123)	-
As at 31 December 2015	1,752,886	613,888	4,469,855	16,181,759	350,327	858,780	728,177	-	275,469	1,260,998	91,927	75,317	26,659,383
Additions	-	-	-	6,177	296	6,272	442,971	-	-	-	-	-	455,716
Disposals/write-off	-	-	(1,353)	(11,822)	(1,397)	(2,060)	(819)	-	-	-	-	-	(17,451)
Transfer between accounts	(248)	248	96,564	364,258	22,232	18,642	(501,696)	-	-	-	-	-	-
Transfer to assets used in the operations	-	-	-	32,075	-	-	-	-	-	-	-	(32,075)	-
As at 31 December 2016	1,752,638	614,136	4,565,066	16,572,447	371,458	881,634	668,633	-	275,469	1,260,998	91,927	43,242	27,097,648
Accumulated depreciation:													
As at 1 January 2015	-	120,863	3,676,823	12,640,025	291,266	762,947	-	-	151,709	643,221	102,791	-	18,389,645
Depreciation for the year	-	12,947	131,516	685,645	11,957	19,562	-	-	-	-	-	-	861,627
Depreciation on disposals /write-off	-	-	(3,096)	(33,556)	(913)	(55,331)	-	-	-	(537)	-	-	(93,433)
Transfer between accounts	-	-	-	(6,325)	-	-	-	-	-	-	-	-	(6,325)
Transfer to assets used in the operations	-	-	-	-	-	16,539	-	-	-	-	(16,539)	-	-
As at 31 December 2015	-	133,810	3,805,243	13,285,789	302,310	743,717	-	-	151,709	642,684	86,252	-	19,151,514
Depreciation for the year	-	20,872	128,320	653,104	16,039	26,167	-	-	-	-	-	-	844,502
Depreciation on disposals /write-off	-	-	(1,353)	(10,974)	(1,397)	(2,060)	-	-	-	-	-	-	(15,784)
As at 31 December 2016	-	154,682	3,932,210	13,927,919	316,952	767,824	-	-	151,709	642,684	86,252	-	19,980,232

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Assets used in the operations							Unused assets but not classified as held for sale					Total
	Revaluation basis	Cost basis						Revaluation basis	Cost basis				
	Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	
Allowance for impairment loss:													
As at 1 January 2015	81,771	54,758	-	-	-	-	11,727	50,300	123,760	618,314	6,340	76,440	1,023,410
Decrease during the year	-	-	-	-	-	-	(993)	-	-	-	-	(1,123)	(2,116)
Transfer to assets used in the operations	50,300	-	-	-	-	665	-	(50,300)	-	-	(665)	-	-
As at 31 December 2015	132,071	54,758	-	-	-	665	10,734	-	123,760	618,314	5,675	75,317	1,021,294
Decrease during the year	-	-	-	-	-	(665)	(1,809)	-	-	-	-	(32,075)	(34,549)
As at 31 December 2016	132,071	54,758	-	-	-	-	8,925	-	123,760	618,314	5,675	43,242	986,745
Net book value:													
As at 31 December 2015	1,620,815	425,320	664,612	2,895,970	48,017	114,398	717,443	-	-	-	-	-	6,486,575
As at 31 December 2016	1,620,567	404,696	632,856	2,644,528	54,506	113,810	659,708	-	-	-	-	-	6,130,671
Depreciation for the year:													
2015 (Baht 835 million included in manufacturing cost, and the balance in administrative expenses)													861,627
2016 (Baht 820 million included in manufacturing cost, and the balance in administrative expenses)													844,502

(Unit: Thousand Baht)

Separate financial statements (all assets are used in the operations)

	Revaluation basis		Cost basis					Total
	Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
Cost/Revalued amount:								
As at 1 January 2015	374,548	546,241	3,306,544	11,046,918	302,073	652,145	564,427	16,792,896
Additions	-	-	-	5,338	95	-	315,806	321,239
Disposals/write-off	-	-	-	-	(124)	-	(656)	(780)
Transfer between accounts	-	-	31,415	270,673	8,775	62,803	(380,059)	(6,393)
As at 31 December 2015	374,548	546,241	3,337,959	11,322,929	310,819	714,948	499,518	17,106,962
Additions	-	-	-	4,615	231	6,272	273,103	284,221
Disposals/write-off	-	-	-	(10,595)	(1,396)	-	(15)	(12,006)
Transfer between accounts	-	-	44,524	218,525	10,264	17,015	(290,328)	-
As at 31 December 2016	374,548	546,241	3,382,483	11,535,474	319,918	738,235	482,278	17,379,177
Accumulated depreciation:								
As at 1 January 2015	-	113,245	2,922,123	9,457,268	269,123	602,507	-	13,364,266
Depreciation for the year	-	9,948	96,463	468,441	9,157	14,626	-	598,635
Depreciation on disposals/write-off	-	-	-	-	(124)	-	-	(124)
Transfer between accounts	-	-	-	(6,325)	-	-	-	(6,325)
As at 31 December 2015	-	123,193	3,018,586	9,919,384	278,156	617,133	-	13,956,452
Depreciation for the year	-	17,327	91,328	430,467	10,639	19,623	-	569,384
Depreciation on disposals/write-off	-	-	-	(10,339)	(1,396)	-	-	(11,735)
As at 31 December 2016	-	140,520	3,109,914	10,339,512	287,399	636,756	-	14,514,101

(Unit: Thousand Baht)

Separate financial statements (all assets are used in the operations) (continued)

	Revaluation basis		Cost basis					Total
	Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
Allowance for impairment loss:								
As at 1 January 2015	-	54,758	-	-	-	-	11,612	66,370
Decrease during the year	-	-	-	-	-	-	(993)	(993)
As at 31 December 2015	-	54,758	-	-	-	-	10,619	65,377
Decrease during the year	-	-	-	-	-	-	(1,808)	(1,808)
As at 31 December 2016	-	54,758	-	-	-	-	8,811	63,569
Net book value:								
As at 31 December 2015	374,548	368,290	319,373	1,403,545	32,663	97,815	488,899	3,085,133
As at 31 December 2016	374,548	350,963	272,569	1,195,962	32,519	101,479	473,467	2,801,507
Depreciation for the year:								
2015 (Baht 572 million included in manufacturing cost, and the balance in administrative expenses)								598,635
2016 (Baht 545 million included in manufacturing cost, and the balance in administrative expenses)								569,384

As described in Note 1 to the financial statements, as at 31 December 2016, the subsidiary maintain the impairment of the assets related to clinker production at Takli plant amounted to Baht 790 million (2015: Baht 823 million).

A breakdown of land carried on the revaluation basis is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Original cost	1,563,578	1,563,578	322,595	322,595
Surplus from revaluation	189,308	189,308	51,953	51,953
Transfer to quarries cost	(248)	-	-	-
Revalued amount	1,752,638	1,752,886	374,548	374,548
Less: Allowance for impairment loss	(132,071)	(132,071)	-	-
Net book value	<u>1,620,567</u>	<u>1,620,815</u>	<u>374,548</u>	<u>374,548</u>

As at 31 December 2016, 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 approximately Baht 10,114 million (2015: Baht 9,250 million) (Separate financial statements: Baht 7,465 million (2015: Baht 6,684 million)).

13. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	Leasehold right on office building	Computer software	Mining concessions	Total
Cost:				
1 January 2015	185,875	38,916	25,104	249,895
31 December 2015	185,875	38,916	25,104	249,895
31 December 2016	185,875	38,916	25,112	249,903
Accumulated amortisation/ depletion:				
1 January 2015	141,811	6,504	16,307	164,622
Amortisation/depletion for the year	7,447	3,892	1,654	12,993
31 December 2015	149,258	10,396	17,961	177,615
Amortisation/depletion for the year	7,448	3,891	1,724	13,063
31 December 2016	156,706	14,287	19,685	190,678
Net book value:				
31 December 2015	36,617	28,520	7,143	72,280
31 December 2016	29,169	24,629	5,427	59,225

14. Income tax

14.1 Income tax expenses of the Company and its subsidiaries for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	121,170	266,317	118,153	257,481
Over recorded of last year income tax	(1,713)	(1,473)	(1,713)	(1,473)
Write-off of non-refundable withholding tax deducted at source	380	462	-	-
Total	<u>119,837</u>	<u>265,306</u>	<u>116,440</u>	<u>256,008</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(38,046)	(11,773)	(4,872)	(2,112)
Total	<u>(38,046)</u>	<u>(11,773)</u>	<u>(4,872)</u>	<u>(2,112)</u>
Income tax expenses reported in the statement of comprehensive income	<u>81,791</u>	<u>253,533</u>	<u>111,568</u>	<u>253,896</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Deferred tax on actuarial (gains) losses arising from post-employment benefits	492	1,497	1,137	(70)
	<u>492</u>	<u>1,497</u>	<u>1,137</u>	<u>(70)</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	902,717	1,830,435	757,950	1,516,252
Applicable tax rates	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiply by income tax rate	174,666	366,087	151,590	303,250
Utilisation of previously unrecognised deferred tax assets				
- Tax losses	(1,188)	(12,024)	-	-
- Allowance for diminution in value of inventories	(5,380)	(1,334)	-	-
- Allowance for impairment loss of assets	(69,204)	(14,844)	-	-
Previous year tax loss which were recognised as deferred tax assets during the year	-	(51,210)	-	-
Reversal of previously recognised deferred tax assets	17,275	7,690	-	-
Tax effect of promotional privileges	(43,800)	(42,341)	-	-
Effect of elimination entries on the consolidated financial statements	5,854	(34)	-	-
Tax effect of dividend income	-	-	(39,200)	(50,400)
Tax effect of non-deductible expenses	4,901	2,554	891	2,519
Write-off of non-refundable withholding tax deducted at source	380	462	-	-
Over recorded of last year income tax	(1,713)	(1,473)	(1,713)	(1,473)
Income tax expenses as included in the statement of comprehensive income	<u>81,791</u>	<u>253,533</u>	<u>111,568</u>	<u>253,896</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Allowance for doubtful accounts	39,192	27,412	4,824	3,827
Allowance for diminution in value of inventories	430,924	388,418	289,447	269,301
Allowance for impairment of assets	305,900	66,237	63,569	65,377
Provision for quarry restoration costs	27,673	8,243	12,385	4,273
Short - term provisions	14,401	-	14,401	-
Provision for long - term employee benefits	207,610	211,271	136,528	139,056
Other long-term provisions	519	11,385	519	11,385
Concession and extraction rights-aggregate	27,285	14,453	-	-
Loss of asset damage from fire accident	-	2,629	-	-
Tax losses	123,329	256,048	-	-
	<u>1,176,833</u>	<u>986,096</u>	<u>521,673</u>	<u>493,219</u>
Applicable tax rates	20%	20%	20%	20%
Deferred tax assets	<u>235,367</u>	<u>197,219</u>	<u>104,335</u>	<u>98,644</u>

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax liabilities				
Depreciation from changing useful lives of assets	(36,648)	(38,602)	(27,673)	(29,264)
Increase on revaluation of land	(74,576)	(74,576)	(51,953)	(51,953)
Surplus from revaluation of land of subsidiary on acquisition	(1,168,393)	(1,168,393)	-	-
	<u>(1,279,617)</u>	<u>(1,281,571)</u>	<u>(79,626)</u>	<u>(81,217)</u>
Applicable tax rates	20%	20%	20%	20%
Deferred tax liabilities	<u>(255,924)</u>	<u>(256,314)</u>	<u>(15,925)</u>	<u>(16,243)</u>

14.5 As at 31 December 2016, the subsidiaries have deductible temporary differences and unused tax losses of totalling Baht 99 million (2015: Baht 527 million). No deferred tax assets have been recognised on these amount as the subsidiaries believe that 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 summarised as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
31 December 2016	-	192	-	-
31 December 2017	124	125	-	-
31 December 2018	4	4	-	-
	<u>128</u>	<u>321</u>	<u>-</u>	<u>-</u>

15. Short-term loans from financial institution

As at 31 December 2015, a subsidiary has unsecured loan from local commercial bank, related financial institution, amounting to Baht 130 million bearing interest at a rate of 2.40 percent per annum. The subsidiary has already repaid the loan during year 2016.

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties	39,983	12,510	43,616	15,453
Trade payables - unrelated parties	1,346,999	1,279,799	771,146	884,916
Other payables - related parties	40,800	36,477	119,109	104,120
Other payables - unrelated parties	482,405	448,405	305,291	272,460
Account payable from factoring	61,186	11,522	61,186	11,522
Advanced received from customers	30,306	19,373	19,003	13,078
Accrued expenses	169,515	150,043	97,112	82,083
Total trade and other payables	<u>2,171,194</u>	<u>1,958,129</u>	<u>1,416,463</u>	<u>1,383,632</u>

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

17. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Provision for long-term employee benefits				
at beginning of year	211,271	189,257	139,056	128,787
Included in profit or loss:				
Current service cost	14,725	10,733	10,598	7,805
Interest cost	5,902	5,615	3,804	3,812
Effect of transferred employees	-	-	(666)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	6,096	-	3,953	-
Experience adjustments	(3,638)	7,483	1,731	(348)
Benefits paid during the year	(26,746)	(1,817)	(21,948)	(1,000)
Provision for long-term employee benefits				
at end of year	<u>207,610</u>	<u>211,271</u>	<u>136,528</u>	<u>139,056</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of sales	3,487	1,898	-	-
Selling and administrative expenses	17,140	14,450	13,736	11,617
Total expenses recognised in profit or loss	20,627	16,348	13,736	11,617

The Company and its subsidiaries expect to pay Baht 12 million of long-term employee benefits during the next year (Separate financial statements: Baht 10 million) (2015: Baht 16 million (Separate financial statements: Baht 13 million)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 9 - 10 years (Separate financial statements: 10 years) (2015: 10 years (Separate financial statements: 10 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount rate	2.7	3.0	2.7	3.0
Salary increase rate	5.0	5.0	5.0	5.0

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Discount rate	(202)	213	(133)	140
Salary increase rate	213	(202)	140	(133)

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net 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. At present, the statutory reserve has fully been set aside.

19. Other components of shareholders' equity

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

20. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other				
employee benefits	693,268	678,838	516,891	499,789
Depreciation	844,503	861,627	569,385	598,635
Reversal loss on impairment of assets	(34,548)	(2,116)	(1,808)	(993)
Loss on obsolescence and impairment of raw materials, spare parts and supplies (reversal)	15,604	(630)	20,146	4,338
Allowance for doubtful accounts/ written-off bad debts	12,157	16,906	1,018	2,939
Transportation expenses	294,977	259,359	93,473	63,904
Management fee	2,630	3,141	1,745	2,269
Rental expenses from operating lease agreements	101,440	89,518	19,224	9,860
Repair and maintenance expenses	680,240	661,548	506,301	503,736
Raw materials used, consumables used and purchase of goods	2,944,682	3,206,001	1,773,960	1,991,506
Changes in inventories of finished goods, work in process and clinker	(2,492)	160,709	(58,081)	115,928

21. Basic earnings per share

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

22. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows: (1) Manufacturing of cement (2) Manufacturing of ready-mixed concrete and (3) Generate electricity. 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 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2016 and 2015.

(Unit: Million Baht)

Consolidated financial statements

	Cement segment		Ready-mixed concrete segment		Generate electricity segment		Elimination of inter-segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	8,001	9,310	1,573	1,583	-	-	-	-	9,574	10,893
Inter-segment revenues	571	700	55	49	368	360	(994)	(1,109)	-	-
Interest income	64	68	5	4	6	6	(9)	(3)	66	75
Dividend income	234	300	-	-	-	-	(234)	(300)	-	-
Other income	145	164	17	50	-	-	(116)	(54)	46	160
Total revenues	9,015	10,542	1,650	1,686	374	366	(1,353)	(1,466)	9,686	11,128
Cost of sales	(6,588)	(7,233)	(1,534)	(1,552)	(55)	(52)	1,030	1,154	(7,147)	(7,683)
Selling expenses	(204)	(191)	(12)	(13)	-	-	-	-	(216)	(204)
Administrative expenses	(522)	(466)	(92)	(83)	(8)	(10)	81	77	(541)	(482)
Depreciation, depletion and amortisation	(735)	(770)	(23)	(19)	(86)	(86)	-	-	(844)	(875)
Total expenses	(8,049)	(8,660)	(1,661)	(1,667)	(149)	(148)	1,111	1,231	(8,748)	(9,244)
Profit before finance cost and income tax expenses	966	1,882	(11)	19	225	218	(242)	(235)	938	1,884
Finance cost	(38)	(52)	(6)	(5)	-	-	9	3	(35)	(54)
Income tax expenses	(85)	(229)	3	(11)	-	-	-	(13)	(82)	(253)
Profit for the year	843	1,601	(14)	3	225	218	(233)	(245)	821	1,577

23. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 - 10 percent of basic salaries. The fund, which is managed by Bangkok Capital Asset Management Company Limited and UOB Asset Management (Thai) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 33 million (2015: Baht 32 million) (Separate financial statements: Baht 24 million (2015: Baht 23 million)) were recognised as expenses.

24. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 3 April 2015	817,342	1.05
Total for 2015		817,342	1.05
Final dividends for 2015	Annual General Meeting of the shareholders on 29 March 2016	817,342	1.05
Total for 2016		817,342	1.05

25. Commitments and contingent liabilities

25.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles, and the sublease of rights to mine and produce limestone. The terms of the agreements are generally between 1 and 25 years. The subsidiary is committed to make payment for the subleased rights to mine and produce limestone at minimum rates and on the basis of the volume produced multiplied by the rate specified in the sublease of rights agreement.

As at 31 December 2016 and 2015, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	69	59	25	22
In over 1 and up to 5 years	138	169	30	37

25.2 Long-term service agreements commitments

- a) The Company and its subsidiaries have entered into agreements related to the concrete transportation, packing cement and other 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 Company and its subsidiaries have entered into others services agreements, mostly related to the provision of repair and maintenance of machines and equipment and the provision of concrete production. As at 31 December 2016 and 2015, there were commitments to be payable under those agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	159	158	143	115
In over 1 and up to 5 years	54	48	54	32

In addition, a subsidiary has entered into agreements regarding the provision of repair and maintenance of machines and equipment which it is committed to pay the service fees calculated from production quantities multiplied by rate specified in the agreements.

25.3 Purchase of raw material commitments

As at 31 December 2016, the Company and its subsidiaries have entered into agreements to purchase of raw materials in the future of approximately Baht 650 million (2015: Baht 1,176 million) (Separate financial statements: Baht 372 million (2015: Baht 896 million)).

In addition, the subsidiaries have entered into another agreements regarding to purchase of raw materials in the future. Commitment value will be based on the purchase volume and prices specified in the agreements.

25.4 Bank guarantees

The Company and its subsidiaries have outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries as at 31 December 2016 and 2015 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Guarantee the application for the right to operate an industrial stone mine with the aim to develop a cement industry and establish a cement factory in the south of Thailand	300	300	300	300
Guarantee electricity use	229	232	179	179
Other guarantees	16	14	8	7

26. Fair value hierarchy

As at 31 December 2016, the Company and its subsidiaries had the asset that was measured at fair value using level 3 of inputs as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Asset measured at fair value		
Land	1,621	375

27. Financial instruments

27.1 Financial risk management policies

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

Credit risk

The Company and its subsidiaries exposed to credit risk primarily with respect to trade and other receivables and borrowing. 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 on credit risk since they have large customer bases. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and borrowing as stated in the statement of financial position.

Interest rate risk

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

Significant financial assets and liabilities as at 31 December 2016 and 2015 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
	Fixed	Fixed	Floating	Non-		Effective
	interest rates	interest rates	interest	interest	Total	interest rate
	within 1 year	more than	rate	bearing		(% p.a.)
		1 – 5 year				
Financial assets						
Cash and cash equivalents	5,345	-	626	157	6,128	0.15 - 1.35
Trade and other receivables	-	-	-	1,664	1,664	-
Other long-term investments	-	-	-	1	1	-
Long-term loans to non-related parties	6	12	-	-	18	2.00
	<u>5,351</u>	<u>12</u>	<u>626</u>	<u>1,822</u>	<u>7,811</u>	
Financial liabilities						
Trade and other payables	-	-	-	2,171	2,171	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,171</u>	<u>2,171</u>	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
	Fixed	Fixed	Floating	Non-		Effective
	interest rates	interest rates	interest	interest	Total	interest rate
	within 1 year	more than	rate	bearing		(% p.a.)
		1 – 5 year				
Financial assets						
Cash and cash equivalents	4,745	-	702	119	5,566	0.25 - 1.65
Trade and other receivables	-	-	-	1,854	1,854	-
Other long-term investments	-	-	-	1	1	-
Long-term loans to non-related parties	8	18	-	-	26	2.00
	<u>4,753</u>	<u>18</u>	<u>702</u>	<u>1,974</u>	<u>7,447</u>	
Financial liabilities						
Short-term loans from financial institution	130	-	-	-	130	2.40
Trade and other payables	-	-	-	1,958	1,958	-
	<u>130</u>	<u>-</u>	<u>-</u>	<u>1,958</u>	<u>2,088</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2016					
	Fixed			Total	Effective interest rate (% p.a.)
	interest rates within 1 year	Floating interest rate	Non- interest bearing		
Financial assets					
Cash and cash equivalents	4,460	352	117	4,929	0.15 - 1.35
Trade and other receivables	-	-	1,242	1,242	-
Long-term loans to related party	-	270	-	270	1.93
Investments in subsidiaries	-	-	2,601	2,601	-
Other long-term investment	-	-	1	1	-
	<u>4,460</u>	<u>622</u>	<u>3,961</u>	<u>9,043</u>	
Financial liability					
Trade and other payables	-	-	1,416	1,416	
	<u>-</u>	<u>-</u>	<u>1,416</u>	<u>1,416</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2015					
	Fixed			Total	Effective interest rate (% p.a.)
	interest rates within 1 year	Floating interest rate	Non- interest bearing		
Financial assets					
Cash and cash equivalents	4,030	439	88	4,557	0.25 - 1.65
Trade and other receivables	-	-	1,399	1,399	-
Long-term loans to related party	-	380	-	380	1.93
Investments in subsidiaries	-	-	2,601	2,601	-
Other long-term investment	-	-	1	1	-
	<u>4,030</u>	<u>819</u>	<u>4,089</u>	<u>8,938</u>	
Financial liability					
Trade and other payables	-	-	1,384	1,384	-
	<u>-</u>	<u>-</u>	<u>1,384</u>	<u>1,384</u>	

Foreign currency risk

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

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

Foreign currency	Financial liabilities as at 31 December		Selling exchange rate as at 31 December	
	<u>2016</u> (Million)	<u>2015</u> (Million)	<u>2016</u> (Baht per 1 foreign currency unit)	<u>2015</u>
Euro	1	1	38.1362	39.7995

27.2 Fair value of financial instruments

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

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.21:1 (2015: 0.21:1) and the Company's was 0.14:1 (2015: 0.15:1).

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2017.

ปูนดอกบัว



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

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