

รายงานประจำปี 2560

ANNUAL REPORT 2017



บริษัท ปูนซีเมนต์เอเชีย จำกัด (มหาชน)
Asia Cement
Public Company Limited



ENVIRONMENTALLY
SUSTAINABLE INNOVATION

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Annual Report 2017



บริษัท ปูนซีเมนต์เอเชีย จำกัด (มหาชน)

Asia Cement

Public Company Limited

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Message from the Chairman

Asia Cement Public Co., Ltd.



In 2017, the demand for cement in Thailand decreased by 7 percent compared to 2016. This resulted in the total revenue of the company decreasing by 9 percent to Baht 8,805 million, and the total net profit falling by 83 percent to a low Baht 139 million. The poor performance due to the weak demand was compounded by strong competition, an increase in energy cost and also the recognition of asset impairment loss due to the suspension of clinker production at the Jalaprathan Cement subsidiary.

However, the company has taken comprehensive measures to strengthen the organization and to reduce the structural costs in order to improve competitiveness in these challenging market conditions. These actions will improve the profitability of the company as the market recovers gradually in the coming years.

The company has continued to be committed on good environmental and social governance (ESG) practices. Last year, Pukrang Plant was granted the "Green Mining" award by the Department of Primary Industries and Mines of the Ministry of Industry, for the 9th consecutive year, demonstrating the company's dedication towards responsible social engagements and enhanced capabilities in environmental management.

In addition, the company sponsored the establishment of a 'reading corner' program for children and families at the Chalerm Rachakumaree Public Library, which was presented in honor of Her Royal Highness Princess Maha Chakri Sirindhorn on the occasion of Her Royal Highness' 60th Birthday. The company has also continued to provide scholarships to students who have financial needs, as well as other community supports, such as providing health checkup and gathering of the grassroot opinions.

The company has further deepened its sustainable development policy. It has implemented the Environmental Management Efficiency Enhancement Project to lower the plants' dust emission through conversion of the electrostatic precipitators to dust filter bags at an investment cost of Baht 80 million in 2017, with a continuing committed budget of Baht 280 million in 2018.

The company has been able to sustain its good social and environmental 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 blue ink handwritten signature, appearing to be 'Chong Toh', written in a cursive style.

(Mr. Chong Toh)

Chairman of the Board

Board of Directors, Executive Committee

Asia Cement Public Company Limited

Board of Directors

As of 31 December 2017

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 2017

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 13,999,996 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 Jalapathan 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. Chong Toh	No	No	No
2. Mr. Thanet Earsakul	1,200,000	1,200,000	Not Change
3. Mr. Nopadol Ramyarupa	80,000	80,000	Not Change
4. Mr. Rapee Sukhyanga	No	No	No
5. Mr. Uran Kleosakul	1,468,906	1,468,906	Not Change
6. Mr. Nithi Patarachoke	No	No	No
7. Mr. Claudio Dealberti	No	No	No
8. Mr. Kevin Gerard Gluskie	No	No	No
9. Mr. Fong Wei Kurk	No	No	No
10. Miss Sim Soek Peng	No	No	No
11. Mr. Roberto Callieri	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. Rapee Sukhyanga	No	No	No
3. Mr. Claudio Dealberti	No	No	No

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

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

6. The remuneration of Board of Directors paid in 2017

Name of Director	Remuneration (Baht)
1. Mr. Chong Toh	540,000
2. Mr. Thanet Earsakul	360,000
3. Mr. Nopadol Ramyarupa	360,000
4. Mr. Rapee Sukhyanga	360,000
5. Mr. Uran Kleosakul	360,000
6. Mr. Nithi Patarachoke	360,000
7. Mr. Claudio Dealberti	360,000
8. Mr. Kevin Gerard Gluskie	360,000
9. Mr. Fong Wei Kurk	360,000
10. Miss Sim Soek Peng	360,000
11. Mr. Roberto Callieri	360,000
12. Mr. Juan-Francisco Defalque	360,000
Total	4,500,000

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 2017, 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 (the Company) 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 2017, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 23 February 2018

Asia Cement Public Company Limited and its subsidiaries**Statement of financial position****As at 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	6, 7	6,163,628,595	6,127,782,281	4,862,867,168	4,928,676,147
Trade and other receivables	8	1,561,615,089	1,664,355,581	1,450,308,781	1,241,845,168
Current portion of long-term loan to related party	7	-	-	92,500,000	270,000,000
Current portion of long-term loans to non related parties	11	5,136,401	5,634,829	-	-
Inventories	9	1,394,843,950	1,627,719,162	887,534,833	1,046,877,170
Input tax refundable		50,052,041	52,730,115	27,458,349	17,815,468
Other current assets		17,983,292	17,269,239	10,549,640	8,778,661
Total current assets		9,193,259,368	9,495,491,207	7,331,218,771	7,513,992,614
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 loans to related parties - net of current portion	7	-	-	12,500,000	-
Long-term loans to non-related parties - net of current portion	11	7,277,946	12,414,347	-	-
Property, plant and equipment	12	6,882,052,685	6,130,670,531	2,847,385,667	2,801,506,652
Intangible assets	13	47,051,196	59,224,593	45,162,596	59,224,593
Deferred tax assets	14	251,752,398	235,366,695	95,405,949	104,334,641
Advance payment for purchase of assets		15,996,319	2,340,826	15,221,602	2,340,825
Other non-current assets		58,605,355	60,476,766	50,233,642	53,739,604
Total non-current assets		7,263,735,899	6,501,493,758	5,667,941,349	5,623,178,208
Total assets		16,456,995,267	15,996,984,965	12,999,160,120	13,137,170,822

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	2,219,050,001	2,171,193,751	1,675,810,704	1,416,463,189
Income tax payable		20,874,645	26,905,276	20,542,374	26,382,564
Short-term provisions		-	14,401,000	-	14,401,000
Other current liabilities		26,682,577	34,375,136	13,043,997	18,824,086
Total current liabilities		2,266,607,223	2,246,875,163	1,709,397,075	1,476,070,839
Non-current liabilities					
Provision for long-term employee benefits	16	230,996,298	207,609,832	150,444,930	136,528,070
Long-term provisions		44,869,507	28,192,322	16,208,703	12,903,653
Deferred tax liabilities	14	483,452,920	255,923,540	38,769,979	15,925,126
Other non-current liabilities		33,892,790	27,285,193	-	-
Total non-current liabilities		793,211,515	519,010,887	205,423,612	165,356,849
Total liabilities		3,059,818,738	2,765,886,050	1,914,820,687	1,641,427,688
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	17	467,052,307	467,052,307	467,052,307	467,052,307
Unappropriated		2,108,587,688	2,782,434,012	1,198,570,040	1,704,385,537
Other components of shareholders' equity	18	1,184,245,117	412,366,473	135,973,618	41,561,822
Equity attributable to owners of the Company		13,042,628,580	12,944,596,260	11,084,339,433	11,495,743,134
Non-controlling interests of the subsidiaries		354,547,949	286,502,655	-	-
Total shareholders' equity		13,397,176,529	13,231,098,915	11,084,339,433	11,495,743,134
Total liabilities and shareholders' equity		16,456,995,267	15,996,984,965	12,999,160,120	13,137,170,822

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		8,658,956,588	9,574,019,684	6,015,855,357	6,491,123,336
Interest income		71,667,437	66,145,045	63,348,998	62,825,586
Management fee income		-	840,000	67,062,867	78,149,277
Dividend income	10	-	-	206,499,941	195,999,930
Gains on sales of assets		-	-	-	379,106
Insurance claim from fire		50,760,670	11,957,337	-	-
Other income		23,968,421	33,702,067	29,251,665	33,923,066
Total revenues		8,805,353,116	9,686,664,133	6,382,018,828	6,862,400,301
Expenses					
Cost of sales		7,694,995,916	8,033,781,362	5,295,343,321	5,410,486,835
Selling expenses		269,842,012	216,434,832	258,266,553	203,980,814
Administrative expenses		471,079,556	533,104,355	405,676,793	472,927,342
Loss on impairment of assets (reversal)	1.2	170,383,331	(34,548,027)	-	(1,807,944)
Loss on impairment of land (reversal)	12	(3,523,633)	-	43,206,729	-
Total expenses		8,602,777,182	8,748,772,522	6,002,493,396	6,085,587,047
Profit before finance cost and income tax expenses		202,575,934	937,891,611	379,525,432	776,813,254
Finance cost		(33,270,187)	(35,174,803)	(18,027,678)	(18,863,284)
Profit before income tax expenses		169,305,747	902,716,808	361,497,754	757,949,970
Income tax expenses	14	(30,456,138)	(81,791,368)	(39,399,771)	(111,567,608)
Profit for the year		138,849,609	820,925,440	322,097,983	646,382,362
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses arising from post-employment benefits, net of income tax					
	14, 16	(18,004,819)	(1,966,142)	(10,571,943)	(4,546,597)
Gains on revaluations of land, net of income tax					
	12, 14	862,575,086	-	94,411,796	-
Other comprehensive income for the year		844,570,267	(1,966,142)	83,839,853	(4,546,597)
Total comprehensive income for the year		983,419,876	818,959,298	405,937,836	641,835,765
Profit attributable to:					
Equity holders of the Company		160,248,175	802,478,300	322,097,983	646,382,362
Non-controlling interests of the subsidiaries		(21,398,566)	18,447,140	-	-
		138,849,609	820,925,440		
Total comprehensive income attributable to:					
Equity holders of the Company		915,373,857	800,199,329	405,937,836	641,835,765
Non-controlling interests of the subsidiaries		68,046,019	18,759,969	-	-
		983,419,876	818,959,298		
Basic earnings per share					
	20				
Profit attributable to equity holders of the Company		0.21	1.03	0.41	0.83

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 2017

Note	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of equity										Equity attributable to non-controlling interests of the subsidiaries	
	Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of land	Surplus from purchase of non-controlling interests of the subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Total equity attributable to non-controlling interests of the subsidiaries			
Appropriated - statutory reserve			Unappropriated	Surplus from purchase of non-controlling interests of the subsidiary					Surplus from purchase of non-controlling interests of the subsidiary	Equity attributable to non-controlling interests of the subsidiaries	Equity attributable to non-controlling interests of the subsidiaries	
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	13,229,483,789	
Profit for the year	-	-	-	802,478,300	-	-	-	802,478,300	18,447,140	820,925,440	820,925,440	
Other comprehensive income for the year	-	-	-	(2,278,971)	-	-	-	(2,278,971)	312,829	(1,966,142)	(1,966,142)	
Total comprehensive income for the year	-	-	-	800,199,329	-	-	-	800,199,329	18,759,969	818,959,298	818,959,298	
Dividend paid	-	-	-	(817,341,537)	-	-	-	(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)	(2,635)	
Unappropriated retained earnings	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2016	4,670,523,072	4,612,220,396	467,052,307	2,782,434,012	79,120,541	333,245,932	412,366,473	12,944,596,260	286,502,655	13,231,098,915	13,231,098,915	
Balance as at 1 January 2017	4,670,523,072	4,612,220,396	467,052,307	2,782,434,012	79,120,541	333,245,932	412,366,473	12,944,596,260	286,502,655	13,231,098,915	13,231,098,915	
Profit for the year	-	-	-	160,248,175	-	-	-	160,248,175	(21,398,566)	138,849,609	138,849,609	
Other comprehensive income for the year	-	-	-	(16,752,962)	771,878,644	-	771,878,644	755,125,682	89,444,585	844,570,267	844,570,267	
Total comprehensive income for the year	-	-	-	143,495,213	771,878,644	-	771,878,644	915,373,857	68,046,019	983,419,876	983,419,876	
Dividend paid	-	-	-	(817,341,537)	-	-	-	(817,341,537)	-	(817,341,537)	(817,341,537)	
Decrease in non-controlling interests of the subsidiary from of dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(725)	(725)	(725)	
Balance as at 31 December 2017	4,670,523,072	4,612,220,396	467,052,307	2,108,587,688	850,999,185	333,245,932	1,184,245,117	13,042,628,580	354,547,949	13,397,176,529	13,397,176,529	

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 2017

	Note	Separate financial statements							(Unit: Baht)
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Surplus on revaluation of land	Total other components of shareholders' equity	
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	23	-	-	-	(817,341,537)	-	-	(817,341,537)	
Balance as at 31 December 2016		4,670,523,072	4,612,220,396	467,052,307	1,704,385,537	41,561,822	41,561,822	11,495,743,134	
Balance as at 1 January 2017		4,670,523,072	4,612,220,396	467,052,307	1,704,385,537	41,561,822	41,561,822	11,495,743,134	
Profit for the year		-	-	-	322,097,983	-	-	322,097,983	
Other comprehensive income for the year		-	-	-	(10,571,943)	94,411,796	94,411,796	83,839,853	
Total comprehensive income for the year		-	-	-	311,526,040	94,411,796	94,411,796	405,937,836	
Dividend paid	23	-	-	-	(817,341,537)	-	-	(817,341,537)	
Balance as at 31 December 2017		4,670,523,072	4,612,220,396	467,052,307	1,198,570,040	135,973,618	135,973,618	11,084,339,433	

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	169,305,747	902,716,808	361,497,754	757,949,970
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	711,576,102	844,502,535	442,431,172	569,384,528
Depletion and amortisation	12,276,092	13,063,507	12,276,092	13,063,507
Doubtful debts (reversal)	(449,008)	11,780,271	(648,343)	997,363
Reduce cost of inventory to net realisable value (reversal)	(16,821,675)	15,604,234	(46,816,031)	20,145,575
Impairment loss on assets (reversal)	141,525,916	(34,548,027)	43,206,729	(1,807,944)
Provision for long-term employee benefits	18,778,927	20,627,637	11,808,519	13,736,759
Long-term provisions (reversal)	2,921,000	(10,865,862)	2,921,000	(10,865,862)
Provision for quarry restoration costs	3,784,500	21,662,875	639,000	8,428,500
Provision for demolishing costs	10,337,141	-	-	-
Written off bad debts	5,877,788	376,552	1,493,999	20,640
Written off assets	-	891,903	-	-
Written off Intangible assets	1,785,905	-	1,785,905	-
Gains on sales of plant and equipment	(52,810)	(614,353)	(48,275)	(379,106)
Unrealised (gains) losses on exchange	368,620	(206,870)	284,251	(197,878)
Dividend income from subsidiary	-	-	(206,499,941)	(195,999,930)
Interest income	(68,799,166)	(61,945,368)	(61,566,536)	(59,904,140)
Interest expenses	-	1,111,233	32,195	37,292
Profit from operating activities before changes in operating assets and liabilities	992,415,079	1,724,157,075	562,797,490	1,114,609,274
Operating assets (increase) decrease				
Trade and other receivables	96,782,458	178,307,367	(210,609,431)	157,109,240
Inventories	200,233,122	(126,442,128)	162,051,105	(56,327,880)
Other current assets	1,964,021	21,966,990	(11,413,860)	4,201,136
Other non-current assets	1,871,411	3,472,484	3,505,962	4,395,035
Operating liabilities increase (decrease)				
Trade and other payables	(122,841,603)	97,773,601	131,446,008	(37,994,021)
Short-term provisions	(14,401,000)	14,401,000	(14,401,000)	14,401,000
Other current liabilities	(8,082,559)	(6,208,800)	(5,780,089)	(5,996,061)
Provision for long-term employee benefits	(17,898,485)	(26,746,130)	(7,809,300)	(21,947,990)
Provision for quarry restoration costs	(1,745,188)	(2,232,382)	(254,950)	(316,838)
Other non-current liabilities	6,607,597	12,832,596	-	-
Cash from operating activities	1,134,904,853	1,891,281,673	609,531,935	1,172,132,895
Cash receipt from previous year income tax	-	1,715,586	-	-
Cash paid for income tax	(36,485,658)	(213,791,164)	(34,426,378)	(208,778,007)
Net cash from operating activities	1,098,419,195	1,679,206,095	575,105,557	963,354,888

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Cash receipt from long-term loan to subsidiary	-	-	165,000,000	110,000,000
Acquisition of plant and equipment	(310,591,493)	(238,224,919)	(245,662,955)	(137,235,857)
Acquisition of intangible assets	-	(7,990)	-	(7,990)
Down payment fixed assets	(13,655,493)	(1,187,326)	(12,880,777)	(2,340,825)
Proceeds from sales of plant and equipment	2,853,118	1,385,375	49,118	650,580
Dividend income from subsidiary	-	-	206,499,941	195,999,930
Cash receipt from long-term loans to non-related parties	5,634,829	7,163,132	-	-
Interest income	70,528,420	61,794,731	63,453,869	58,753,480
Net cash from (used in) investing activities	(245,230,619)	(169,076,997)	176,459,196	225,819,318
Cash flows from financing activities				
Decrease in short-term loans from financial institution	-	(130,000,000)	-	-
Dividend paid	(817,341,537)	(817,341,537)	(817,341,537)	(817,341,537)
Dividend paid to non-controlling interest	(725)	(2,635)	-	-
Interest expenses	-	(1,119,781)	(32,195)	(37,292)
Net cash used in financing activities	(817,342,262)	(948,463,953)	(817,373,732)	(817,378,829)
Net increase (decrease) in cash and cash equivalents	35,846,314	561,665,145	(65,808,979)	371,795,377
Cash and cash equivalents at beginning of year	6,127,782,281	5,566,117,136	4,928,676,147	4,556,880,770
Cash and cash equivalents at end of year	6,163,628,595	6,127,782,281	4,862,867,168	4,928,676,147
Supplemental cash flows information				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	170,329,233	115,506,775	123,732,798	71,022,975
Transferred cement and spare parts to construction in progress during the year	49,463,765	101,984,419	44,107,263	75,962,822
Transferred assets under construction to intangible assets	1,888,600	-	-	-
An outstanding receivable from sales of assets	-	4,000	-	-
Provision for demolishing costs	1,769,732	-	-	-

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 2017

1. General information

1.1 Corporate 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.

1.2 Suspension of clinker production of subsidiary

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

On 4 September 2017, Jalaprathan Cement announced to suspended clinker production at Takli plant again from 1 October 2017 onwards. Jalaprathan Cement’s management therefore considered to record impairment loss on buildings, machines, equipment and spare parts which acquired during 2013 to 30 September 2017 amounting to Baht 170 million due to the uncertainty that Takli plant will be able to resume its clinker production in the near future.

In addition, Jalaprathan Cement announced the voluntary resignation program and it paid severance pay and other benefits to the employee who joined the program amounting to Baht 20 million in the current year.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding	
		2017	2016
		%	%
<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 Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarification directed towards disclosures in the notes to financial statements.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rental income

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

Interest income

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

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 and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection 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 "Revaluation Surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised 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 "Revaluation Surplus" in respect of the same asset.

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

Buildings, 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 or individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, 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, equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company 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 each reporting period.

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

At the end of each reporting period, the Group 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' 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 and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	9	35	9	35
Bank deposits	6,163,620	6,127,747	4,862,858	4,928,641
Total cash and cash equivalents	<u>6,163,629</u>	<u>6,127,782</u>	<u>4,862,867</u>	<u>4,928,676</u>

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interest at rates between 0.2 and 1.3 percent per annum (2016: between 0.2 and 1.4 percent per annum) (The Company only: between 0.2 and 1.3 percent per annum (2016: between 0.2 and 1.4 percent per annum)).

7. Related party transactions

During the years, the Group 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	570	520
Sales of water and waste heat	-	-	17	18
Management fee income	-	-	71	91
Interest income	-	-	5	7
Purchases of goods	-	-	29	30
Purchases of electricity	-	-	342	368
<u>Transactions with related companies</u>				
Sales of goods	556	689	556	689
Interest income	57	25	45	19
Purchases of raw materials	25	103	25	82
Management fee expenses	53	60	53	59
Technical fee	14	8	13	2
Software license fee	7	10	7	10

The balances of accounts as at 31 December 2017 and 2016 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Bank deposits with related party</u>				
Related financial institution (related by common shareholders)	4,947,265	2,727,425	3,904,304	1,897,747
Total bank deposits with related party	<u>4,947,265</u>	<u>2,727,425</u>	<u>3,904,304</u>	<u>1,897,747</u>
<u>Trade and other receivables - related parties</u>				
<u>(Note 8)</u>				
Subsidiaries	-	-	591,213	314,099
Related companies (related by common shareholders)	1,305	148,772	1,305	148,772
Total trade and other receivables - related parties	<u>1,305</u>	<u>148,772</u>	<u>592,518</u>	<u>462,871</u>
<u>Long-term loan to related party</u>				
Subsidiary	-	-	105,000	270,000
Less: Portion due within one year	-	-	(92,500)	(270,000)
Long-term loans to related party - net of current portion	<u>-</u>	<u>-</u>	<u>(12,500)</u>	<u>-</u>
<u>Trade and other payables - related parties (Note 15)</u>				
Subsidiaries	-	-	85,741	86,052
Related companies (related by common shareholders)	54,430	80,783	52,829	76,673
Total trade and other payables - related parties	<u>54,430</u>	<u>80,783</u>	<u>138,570</u>	<u>162,725</u>

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

The outstanding balance as at 31 December 2017 represented unsecured loan of Baht 105 million carrying interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 3.0 percent per annum. The loan and interest is repayable on a quarterly basis within 2017. However, the Board of Directors of the Company had approval to extend the repayable period to 2019.

Directors and management benefits

During the years ended 31 December 2017 and 2016, the Group had employee benefit expenses to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	35	37	28	30
Post-employment benefits	2	1	1	1
Total	37	38	29	31

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Age of receivables				
Not yet due	1,305	101,572	260,320	246,324
Past due				
Up to 3 months	-	47,007	99,049	162,091
3 - 6 months	-	-	90,801	23,984
6 - 12 months	-	-	56,819	-
Over 12 months	-	-	672	-
Total trade receivables - related parties	1,305	148,579	507,661	432,399
<u>Trade receivables - unrelated parties</u>				
Age of receivables				
Not yet due	1,152,675	1,196,396	619,213	626,676
Past due				
Up to 3 months	343,796	235,914	198,980	115,681
3 - 6 months	37,552	38,592	31,514	24,328
6 - 12 months	8,009	13,902	1,982	2,898
Over 12 months	45,242	52,401	2,819	4,453
Total	1,587,274	1,537,205	854,508	774,036
Less: Allowance for doubtful accounts	(38,742)	(39,192)	(4,176)	(4,825)
Total trade receivables - unrelated parties, net	1,548,532	1,498,013	850,332	769,211
Total trade receivables - net	1,549,837	1,646,592	1,357,993	1,201,610
<u>Other receivables</u>				
Other receivables - related parties	-	193	84,857	30,472
Other receivables - unrelated parties	11,778	17,571	7,459	9,763
Total other receivables	11,778	17,764	92,316	40,235
Total trade and other receivables - net	1,561,615	1,664,356	1,450,309	1,241,845

Approximately Baht 59.6 million of the Company's trade accounts receivable as at 31 December 2017 was factoring with recourse to a bank (2016: Baht 61.2 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	
	2017	2016	2017	2016	2017	2016
Finished goods	173,415	144,822	-	-	173,415	144,822
Work in process	429,542	466,249	(9,307)	(2,000)	420,235	464,249
Raw materials	323,023	513,908	(9,409)	(27,400)	313,614	486,508
Spare parts and supplies	879,738	925,231	(395,386)	(401,524)	484,352	523,707
Good in transit	3,228	8,434	-	-	3,228	8,434
Total	<u>1,808,946</u>	<u>2,058,644</u>	<u>(414,102)</u>	<u>(430,924)</u>	<u>1,394,844</u>	<u>1,627,720</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	86,787	70,903	-	-	86,787	70,903
Work in process	242,335	281,338	-	-	242,335	281,338
Raw materials	211,911	336,885	-	(23,395)	211,911	313,490
Spare parts and supplies	585,905	641,286	(242,631)	(266,052)	343,274	375,234
Good in transit	3,228	5,912	-	-	3,228	5,912
Total	<u>1,130,166</u>	<u>1,336,324</u>	<u>(242,631)</u>	<u>(289,447)</u>	<u>887,535</u>	<u>1,046,877</u>

During the current year, the Group reduced cost of inventories by Baht 62 million (2016: Baht 56 million) (The Company only: Baht 16 million (2016: Baht 56 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 79 million (2016: Baht 40 million) (The Company only: Baht 62 million (2016: Baht 36 million)), and reduced the amount of inventories recognised as expenses during the year.

As described in Note 1.2 to the financial statements as at 31 December 2017, the allowance for impairment loss of spare parts of machines related to the clinker production at Takli plant of Jalapathan Cement was Baht 48 million (2016: Baht 24 million).

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding		Cost		Dividend received during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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	206,500	196,000
Total					<u>2,601,032</u>	<u>2,601,032</u>	<u>206,500</u>	<u>196,000</u>

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						
	Cost basis					Cost basis						
Revaluation basis	Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
Cost / Revalued amount:												
As at 1 January 2016	1,689,351	613,888	4,469,855	16,181,759	350,327	858,780	728,177	275,469	1,260,998	91,927	75,317	26,595,848
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	1,689,103	614,136	4,565,066	16,572,447	371,458	881,634	668,633	275,469	1,260,998	91,927	43,242	27,034,113
Additions	-	-	-	4,416	424	85	523,230	-	-	-	-	528,155
Revaluations	1,078,218	-	-	-	-	-	-	-	-	-	-	1,078,218
Disposals /write-off	-	-	-	(228)	(41,953)	-	-	-	-	-	-	(42,181)
Transfer between accounts	-	-	21,811	249,359	5,198	58,115	(334,483)	-	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	(1,889)	-	-	-	-	(1,889)
Transfer to unused assets	-	-	(22,382)	(186,636)	-	(7,200)	(8,340)	22,382	186,636	7,200	8,340	-
As at 31 December 2017	2,767,321	614,136	4,564,495	16,639,358	335,127	932,634	847,151	297,851	1,447,634	99,127	51,582	28,596,416
Accumulated depreciation:												
As at 1 January 2016	-	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
Depreciation for the year	-	10,632	98,160	558,787	16,683	28,652	-	-	-	-	-	712,914
Depreciation on disposals /write-off	-	-	-	(228)	(41,953)	-	-	-	-	-	-	(42,181)
Transfer to unused assets	-	-	(945)	(74,735)	-	(5,166)	-	945	74,735	5,166	-	-
As at 31 December 2017	-	165,314	4,029,425	14,411,743	291,682	791,310	-	152,654	717,419	91,418	-	20,650,965

(Unit: Thousand Baht)

Consolidated financial statements (continued)

Revaluation basis	Assets used in the operations					Unused assets but not classified as held for sale						
	Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
As at 1 January 2016	68,536	54,758	-	-	-	665	10,734	123,760	618,314	5,675	75,317	957,759
Decrease during the year	-	-	-	-	-	(665)	(1,809)	-	-	-	(32,075)	(34,549)
As at 31 December 2016	68,536	54,758	-	-	-	-	8,925	123,760	618,314	5,675	43,242	923,210
Increase (decrease) during the year	(3,524)	-	-	-	-	-	-	21,437	111,901	2,034	8,340	140,188
As at 31 December 2017	65,012	54,758	-	-	-	-	8,925	145,197	730,215	7,709	51,582	1,063,398
Net book value:												
As at 31 December 2016	1,620,567	404,696	632,856	2,644,528	54,506	113,810	659,708	-	-	-	-	6,130,671
As at 31 December 2017	2,702,309	394,064	535,070	2,227,615	43,445	141,324	838,226	-	-	-	-	6,882,053
Depreciation for the year:												
2016 (Baht 820 million included in manufacturing cost, and the balance in administrative expenses)												844,502
2017 (Baht 690 million included in manufacturing cost, and the balance in administrative expenses)												711,576

(Unit: Thousand Baht)

Separate financial statements (all items are assets 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	
Cost/Revalued amount:								
As at 1 January 2016	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
Additions	-	-	-	2,097	281	85	411,040	413,503
Revaluations	118,015	-	-	-	-	-	-	118,015
Disposals	-	-	-	-	(41,562)	-	-	(41,562)
Transfer between accounts	-	-	3,420	212,746	4,070	58,116	(278,351)	-
As at 31 December 2017	492,563	546,241	3,385,903	11,750,317	282,707	796,436	614,967	17,869,133
Accumulated depreciation:								
As at 1 January 2016	-	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
Depreciation for the year	-	6,293	61,498	340,285	10,655	23,700	-	442,431
Depreciation on disposals	-	-	-	-	(41,561)	-	-	(41,561)
As at 31 December 2017	-	146,813	3,171,412	10,679,797	256,493	660,456	-	14,914,971

(Unit: Thousand Baht)

Separate financial statements (all items are assets 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	
Allowance for impairment loss:								
As at 1 January 2016	-	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
Increase during the year	43,207	-	-	-	-	-	-	43,207
As at 31 December 2017	43,207	54,758	-	-	-	-	8,811	106,776
Net book value:								
As at 31 December 2016	374,548	350,963	272,569	1,195,962	32,519	101,479	473,467	2,801,507
As at 31 December 2017	449,356	344,670	214,491	1,070,520	26,214	135,979	606,155	2,847,386
Depreciation for the year:								
2016 (Baht 545 million included in manufacturing cost, and the balance in administrative expenses)								569,384
2017 (Baht 421 million included in manufacturing cost, and the balance in administrative expenses)								442,431

As described in Note 1.2 to the financial statements, as at 31 December 2017, the allowance for impairment loss of buildings, machines and equipment related to the clinker production at Takli plant of Jalaprathan Cement was Baht 935 million (2016: Baht 790 million).

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

Key assumptions used in the valuation are summarised below:

	The Company's land	Jalaprathan Cement's land	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	700 - 2,000	35 - 10,500	Increase in fair value

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

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Original cost	1,499,795	1,500,043	322,595	322,595
Surplus from revaluation	1,267,526	189,308	169,968	51,953
Transfer to quarries cost	-	(248)	-	-
Revalued amount	2,767,321	1,689,103	492,563	374,548
Less: Allowance for impairment loss	(65,012)	(68,536)	(43,207)	-
Net book value	<u>2,702,309</u>	<u>1,620,567</u>	<u>449,356</u>	<u>374,548</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Other comprehensive income:		
Gains on revaluations of land	1,078,219	118,015
Less: Effect of deferred tax	(215,644)	(23,603)
Gains on revaluations of land - net of income tax	<u>862,575</u>	<u>94,412</u>

As at 31 December 2017, certain plant and equipment items of the Group 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 16,294 million (2016: Baht 10,114 million) (The Company only: Baht 13,550 million (2016: Baht 7,465 million)).

13. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Leasehold right on office building	Computer software	Mining concessions	Total
Cost:				
As at 1 January 2016	185,875	38,916	25,104	249,895
Additions	-	-	8	8
As at 31 December 2016	185,875	38,916	25,112	249,903
Transfer from assets under construction	-	-	1,888	1,888
Write-off	-	-	(8,955)	(8,955)
As at 31 December 2017	185,875	38,916	18,045	242,836
Accumulated amortisation/depletion:				
As at 1 January 2016	149,258	10,396	17,961	177,615
Amortisation/depletion for the year	7,448	3,891	1,724	13,063
As at 31 December 2016	156,706	14,287	19,685	190,678
Amortisation/depletion for the year	7,447	3,892	937	12,276
Amortisation/depletion on write-off	-	-	(7,169)	(7,169)
As at 31 December 2017	164,153	18,179	13,453	195,785
Net book value:				
As at 31 December 2016	29,169	24,629	5,427	59,225
As at 31 December 2017	21,722	20,737	4,592	47,051

(Unit: Thousand Baht)

	Separate financial statements			
	Leasehold right on office building	Computer software	Mining concessions	Total
Cost:				
As at 1 January 2016	185,875	38,916	25,104	249,895
Additions	-	-	8	8
As at 31 December 2016	185,875	38,916	25,112	249,903
Write-off	-	-	(8,955)	(8,955)
As at 31 December 2017	185,875	38,916	16,157	240,948
Accumulated amortisation/depletion:				
As at 1 January 2016	149,258	10,396	17,961	177,615
Amortisation/depletion for the year	7,448	3,891	1,724	13,063
As at 31 December 2016	156,706	14,287	19,685	190,678
Amortisation/depletion for the year	7,447	3,892	937	12,276
Amortisation/depletion on write-off	-	-	(7,169)	(7,169)
As at 31 December 2017	164,153	18,179	13,453	195,785
Net book value:				
As at 31 December 2016	29,169	24,629	5,427	59,225
As at 31 December 2017	21,722	20,737	2,704	45,163

14. Income tax

14.1 Income tax expenses of the Group for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	31,175	121,170	29,901	118,153
Over recorded of last year income tax	(1,396)	(1,713)	(1,315)	(1,713)
Write-off of non-refundable withholding tax deducted at source	676	380	-	-
Total	30,455	119,837	28,586	116,440
Deferred tax:				
Relating to origination and reversal of temporary differences	1	(38,046)	10,814	(4,872)
Total	1	(38,046)	10,814	(4,872)
Income tax expenses reported in the statement of comprehensive income	<u>30,456</u>	<u>81,791</u>	<u>39,400</u>	<u>111,568</u>

14.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial losses arising from post-employment benefits	4,501	492	2,643	1,137
Deferred tax on gain on revaluations of land	(215,644)	-	(23,603)	-
Total	(211,143)	492	(20,960)	1,137

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	169,306	902,717	361,498	757,950
Applicable tax rates	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiply by income tax rates	33,861	174,666	72,300	151,590
Deferred taxes assets which were not recognised during the year				
- Allowance for diminution in value of inventories	404	-	-	-
- Transferred employee benefits	-	-	660	-
- Allowance for impairment loss of land	(705)	-	8,641	-
Utilisation of previously unrecognised deferred tax assets				
- Tax losses	(1,059)	(1,188)	-	-
- Allowance for diminution in value of inventories	-	(5,380)	-	-
- Allowance for impairment loss of assets	-	(69,204)	-	-
Previous year tax loss which were recognised as deferred tax assets during the year	(166)	-	-	-
Reversal of previously recognised deferred tax assets	23,582	17,275	-	-
Tax effect of promotional privileges	(40,456)	(43,800)	-	-
Effect of elimination entries on the consolidated financial statements	13,330	5,854	-	-
Tax effect of dividend income	-	-	(41,300)	(39,200)
Tax effect of non-deductible expenses	2,385	4,901	414	891
Write-off of non-refundable withholding tax deducted at source	676	380	-	-
Over recorded of last year income tax	(1,396)	(1,713)	(1,315)	(1,713)
Income tax expenses reported in the statement of comprehensive income	<u>30,456</u>	<u>81,791</u>	<u>39,400</u>	<u>111,568</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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Allowance for doubtful accounts	38,742	39,192	4,176	4,824
Allowance for diminution in value of inventories	412,084	430,924	242,631	289,447
Allowance for impairment loss of assets	371,558	305,900	63,569	63,569
Provision for quarry restoration costs	29,713	27,673	12,769	12,385
Short-term provisions	-	14,401	-	14,401
Provision for long-term employee benefits	230,996	207,610	150,445	136,528
Other long-term provisions	3,440	519	3,440	519
Provision for demolishing costs	10,337	-	-	-
Concession and extraction rights-aggregate	33,893	27,285	-	-
Tax losses	127,999	123,329	-	-
Total	<u>1,258,762</u>	<u>1,176,833</u>	<u>477,030</u>	<u>521,673</u>
Applicable tax rate	20%	20%	20%	20%
Deferred tax assets	<u>251,752</u>	<u>235,367</u>	<u>95,406</u>	<u>104,335</u>

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax liabilities				
Depreciation from changing useful lives of assets	32,880	36,648	23,883	27,673
Surplus from revaluation of land	2,384,385	1,242,969	169,968	51,953
Total	<u>2,417,265</u>	<u>1,279,617</u>	<u>193,851</u>	<u>79,626</u>
Applicable tax rate	20%	20%	20%	20%
Deferred tax liabilities	<u>483,453</u>	<u>255,924</u>	<u>38,770</u>	<u>15,925</u>

14.5 As at 31 December 2017, the subsidiaries have deductible temporary differences of Baht 98 million (2016: Baht 99 million). No deferred tax assets have been recognised on these amount as the subsidiaries believe that their future taxable profits may not be sufficient to allow utilisation of the temporary differences.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
31 December 2017	-	118	-	-
31 December 2018	-	5	-	-
31 December 2021	6	5	-	-
31 December 2022	122	-	-	-
	<u>128</u>	<u>128</u>	<u>-</u>	<u>-</u>

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties	5,039	39,983	9,635	43,616
Trade payables - unrelated parties	1,341,085	1,346,999	970,242	771,146
Other payables - related parties	49,391	40,800	128,935	119,109
Other payables - unrelated parties	566,891	482,405	399,756	305,291
Accounts payable from factoring	59,625	61,186	59,625	61,186
Advance received from customers	57,926	30,306	49,202	19,003
Accrued expenses	139,093	169,515	58,416	97,112
Total trade and other payables	<u>2,219,050</u>	<u>2,171,194</u>	<u>1,675,811</u>	<u>1,416,463</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.

16. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits				
at beginning of year	207,610	211,271	136,528	139,056
Included in profit or loss:				
Current service cost	13,494	14,725	8,398	9,932
Interest cost	5,285	5,902	3,410	3,804
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
- Demographic assumptions changes	(12)	-	(111)	-
- Financial assumptions changes	-	6,096	-	3,953
- Experience adjustments	22,517	(3,638)	13,326	1,731
Benefits paid during the year	(17,898)	(26,746)	(7,809)	(21,948)
Effect of transferred employees	-	-	(3,297)	-
Provision for long-term employee benefits				
at end of year	<u>230,996</u>	<u>207,610</u>	<u>150,445</u>	<u>136,528</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of sales	3,829	3,487	-	-
Selling and administrative expenses	14,950	17,140	11,808	13,736
Total expenses recognised in profit or loss	<u>18,779</u>	<u>20,627</u>	<u>11,808</u>	<u>13,736</u>

The Group expects to pay Baht 12 million of long-term employee benefits during the next year (The Company only: Baht 10 million) (2016: Baht 12 million (The Company only: Baht 10 million)).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 9 years (The Company only: 9 years) (2016: 9 - 10 years (The Company only: 10 years)).

Significant actuarial assumptions are summarised below:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Discount rate	2.7	2.7	2.7	2.7
Salary increase rate	5.0	5.0	5.0	5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 are summarised below:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Discount rate	(226)	237	(147)	154
Salary increase rate	237	(225)	154	(147)

17. Statutory reserve

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

18. 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.

19. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries and wages and other				
employee benefits	655,975	693,268	493,227	516,891
Depreciation	711,576	844,503	442,431	569,385
Loss on impairment of assets (reversal)	141,526	(34,548)	43,207	(1,808)
Loss on obsolescence and impairment				
of raw materials, spare parts and				
supplies (reversal)	(16,822)	15,604	(46,816)	20,146
Doubtful debts/ written-off bad debts	5,429	12,157	846	1,018
Transportation expenses	368,786	294,977	168,606	93,473
Rental expenses from operating lease				
agreements	80,821	101,440	9,794	19,224
Repair and maintenance expenses	617,543	680,240	496,739	506,301
Raw materials used, consumables used				
and purchase of goods	3,063,640	2,944,682	1,964,578	1,773,960
Changes in inventories of finished				
goods, work in process and clinker	27,446	(2,492)	23,120	(58,081)

20. 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.

21. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and has 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 Group is 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 2017 and 2016, the Group has 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 Group's operating segments for the year ended 31 December 2017 and 2016.

(Unit: Million Baht)

	Consolidated financial statements											
	Cement segment			Ready-mixed concrete segment			Generate electricity segment		Elimination of inter-segment revenues		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers	7,084	8,001	1,575	1,573	-	-	-	-	-	-	8,659	9,574
Inter-segment revenues	615	571	64	55	342	368	(1,021)	(994)			-	-
Interest income	64	64	6	5	9	6	(7)	(9)			72	66
Dividend income	216	234	-	-	-	-	(216)	(234)			-	-
Other income	166	145	16	17	-	-	(108)	(116)			74	46
Total revenues	8,145	9,015	1,661	1,650	351	374	(1,352)	(1,353)			8,805	9,686
Cost of sales	(6,418)	(6,588)	(1,595)	(1,534)	(52)	(55)	1,059	1,030			(7,006)	(7,147)
Selling expenses	(258)	(204)	(12)	(12)	-	-	-	-			(270)	(216)
Administrative expenses	(667)	(522)	(58)	(92)	(4)	(8)	114	81			(615)	(541)
Depreciation, depletion and amortisation	(599)	(735)	(26)	(23)	(86)	(86)	-	-			(711)	(844)
Total expenses	(7,942)	(8,049)	(1,691)	(1,661)	(142)	(149)	1,173	1,111			(8,602)	(8,748)
Profit (loss) before finance cost and income tax benefits (expenses)	203	966	(30)	(11)	209	225	(179)	(242)			203	938
Finance cost	(34)	(38)	(6)	(6)	-	-	7	9			(33)	(35)
Income tax benefits (expenses)	(24)	(85)	7	3	(1)	-	(13)	-			(31)	(82)
Profit (loss) for the year	145	843	(29)	(14)	208	225	(185)	(233)			139	821

22. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Group 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 2017 amounting to approximately Baht 33 million (2016: Baht 33 million) (The Company only: Baht 23 million (2016: Baht 24 million)) were recognised as expenses.

23. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
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
Final dividends for 2016	Annual General Meeting of the shareholders on 31 March 2017	817,342	1.05
Total for 2017		817,342	1.05

24. Commitments and contingent liabilities

24.1 Operating lease commitments

The Group has 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 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
In up to 1 year	89	69	19	25
In over 1 and up to 5 years	82	138	17	30

24.2 Long-term service agreements commitments

- a) The Group has entered into agreements related to the concrete transportation, packing cement and other services. The Group is committed to pay service fees calculated from quantities and distance multiplied by the rate specified in the agreements.
- b) The Group has 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 2017 and 2016, there were commitments to be payable under those agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
In up to 1 year	111	159	95	143
In over 1 and up to 5 years	54	54	50	54

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.

24.3 Purchase of raw material commitments

As at 31 December 2017, the Group has entered into agreements to purchase of raw materials in the future of approximately Baht 445 million (2016: Baht 650 million) (The Company only: Baht 352 million (2016: Baht 372 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.

24.4 Bank guarantees

The Group has outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries as at 31 December 2017 and 2016 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	230	229	179	179
Other guarantees	18	16	8	8

25. Financial instruments

25.1 Financial risk management policies

The Group's 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, loan receivables, investments, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loan receivables and payables. Most of the Group's 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 2017 and 2016 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 2017						
	Fixed		Floating	Non- interest	Total	Effective
	interest rates	more than	interest	bearing		interest rate
	within 1 year	1 - 5 year	rate			(% p.a.)
Financial assets						
Cash and cash equivalents	5,275	-	798	91	6,164	0.15 - 1.25
Trade and other receivables	-	-	-	1,562	1,562	-
Other long-term investments	-	-	-	1	1	-
Long-term loans to non-related parties	5	7	-	-	12	2.00
	<u>5,280</u>	<u>7</u>	<u>798</u>	<u>1,654</u>	<u>7,739</u>	
Financial liabilities						
Trade and other payables	-	-	-	2,219	2,219	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,219</u>	<u>2,219</u>	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
	Fixed		Floating	Non- interest	Total	Effective
	interest rates	more than	interest	bearing		interest rate
	within 1 year	1 - 5 year	rate			(% p.a.)
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)

Separate financial statements					
As at 31 December 2017					
	Fixed				
	interest rates	Floating	Non- interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% p.a.)
Financial assets					
Cash and cash equivalents	4,310	483	70	4,863	0.15 - 1.25
Trade and other receivables	-	-	1,450	1,450	-
Long-term loans to related party	-	105	-	105	3.93
Investments in subsidiaries	-	-	2,601	2,601	-
Other long-term investment	-	-	1	1	-
	<u>4,310</u>	<u>588</u>	<u>4,122</u>	<u>9,020</u>	
Financial liability					
Trade and other payables	-	-	1,676	1,676	
	<u>-</u>	<u>-</u>	<u>1,676</u>	<u>1,676</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2016					
	Fixed				
	interest rates	Floating	Non- interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% p.a.)
Financial assets					
Cash and cash equivalents	4,460	352	117	4,929	0.15 - 1.35
Trade and other receivables	-	-	1,242	7,242	
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>	

Foreign currency risk

The Group's 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 assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2017</u> (Million)	<u>2016</u> (Million)	<u>2017</u> (Million)	<u>2016</u> (Million)	<u>2017</u> (Baht per 1 foreign currency unit)	<u>2016</u>
US dollar	1	-	-	-	32.5146	-
Euro	-	-	1	1	39.3938	38.1362

25.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

26. Capital management

The primary objective of the Group'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 2017, the Group's debt-to-equity ratio was 0.23:1 (2016: 0.21:1) and the Company's was 0.17:1 (2016: 0.14:1).

27. Events after the reporting period

On 23 February 2018, the Company's Board of Directors Meeting passed the resolution to approve to pay a dividend of Baht 1.05 per share, or a total of Baht 817 million, to the Company's shareholders in respect of the profit for the year 2017. The above resolution will be passed to Annual General Meeting of shareholders for approval.

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2018.

ปูนดอกบัว



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