

# รายงานประจำปี 2560

## ANNUAL REPORT 2017



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



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SUSTAINABLE INNOVATION

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## Annual Report 2017



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

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# Message from the Chairman

## Jalaprathan Cement Public Co., Ltd.



In 2017, the demand for cement in Thailand decreased by 7 percent compared to 2016. The total revenue of the company was Baht 2,342 million, decreasing by 13 percent and the net loss was Baht 192 million due to the decrease in demand, high competition and recognized loss from impairment of assets from suspending clinker production.

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 still retained on its good governance. Last year, Cha-am plant in Phetchaburi province and Takli plant in Nakhon Sawan province were granted the "Corporate Social Responsibility" award by the Department of Primary Industries and Mines of Ministry of Industry and "Occupational Health, Safety, and Environment Management" award by the Department of Labor Protection and Welfare of Ministry of Labor. Besides, Cha-am plant was granted the "Green Mining" award by the Department of Primary Industries and Mines of Ministry of Industry for the 5<sup>th</sup> consecutive year, showing the company's responsibility to society and environment.

In addition, Cha-am and Takli plants have also continued other social activities in line with the company's sustainable development policy, i.e. "Golden Naga" scholarship, lunch fund and sport equipment to students in the schools situated nearby the plants as well as those in Nongplub, Prachuab Khiri Khan province. Also, the company has continued its mobile health unit service for the local communities and community visits to listen the opinions of the locals.

On behalf of the Board of Directors of Jalapathan Cement Public Company Limited, I would like to extend my gratitude to our clients, shareholders, employees and management for the support that allows the company to move onwards with stability.

A handwritten signature in blue ink, reading "Gen. A. Karnasuta". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

(Gen. Ayupoon Karnasuta)  
Chairman of the Board

# Board of Directors

## Jalaprathan Cement Public Company Limited

### Board of Directors

As of 31 December 2017

### Chairman

General Ayupoon Karnasuta

### Directors

Police General Suthep Dhamaraks

Mr. Kevin Gerard Gluskie

Mr. Roberto Callieri

Mr. Rapee Sukhyanga

Mr. Claudio Dealberti

Managing Director

Mr. Nopadol Ramyarupa

Managing Director



## 1. Basic Information of the Company

<b>Company:</b>	Jalaprathan Cement Public Company Limited
<b>Establishment:</b>	September 12, 1956
<b>Head Office:</b>	23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok
<b>Plant:</b>	Jalaprathan Cement Takli 1 Jalaprathan Cement Road, Tambon Takli, Amphur Takli, Nakonsawan Province Jalaprathan Cement Cha-am 1 Jalaprathan Cement Road, Tambon Cha-am, Amphur Cha-am, Petchburi Province
<b>Type of Business:</b>	Cement Production and Sale
<b>Registration No.:</b>	0107537001676 (Previous No. Bor Mor Jor. 414)

### Registered Capital at the Beginning:

<b>Registered Capital</b>	Baht 60,000,000
<b>Paid up Capital</b>	Baht 60,000,000 comprising common share of 60,000 shares
<b>Par Value</b>	Common Share, Baht 1,000 per share

### Registered Capital in the Present Year:

<b>Registered Capital</b>	Baht 1,200,000,000
<b>Paid up Capital</b>	Baht 1,200,000,000 comprising common share of 120,000,000 shares
<b>Par Value</b>	Common Share, Baht 10 per share

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

### 2.1 Jalaprathan Concrete Company Limited:

Common Shares amounting to 2,799,810 shares which equals to 99.99%.

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

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

### 2.2 Naga Property Company Limited:

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

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

**Type of Business:** Real Estate Lease

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

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

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

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

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

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

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

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

**6. The remuneration of Board of Directors paid in 2017**

<b>Name of Director</b>	<b>Remuneration (Baht)</b>
1. General Ayupoon Karnasuta	1,446,000
2. Mr. Rapee Sukhyanga	188,000
3. Police General Suthep Dhamaraks	180,000
4. Mr. Nopadol Ramyarupa	188,000
5. Mr. Roberto Callieri	180,000
6. Mr. Claudio Dealberti	180,000
7. Mr. Kevin Gerard Gluskie	180,000
<b>Total</b>	<b>2,542,000</b>

## Independent Auditor's Report

To the Shareholders of Jalaprathan Cement Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Jalaprathan Cement Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 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 Jalaprathan 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 Jalaprathan Cement Public Company Limited and its subsidiaries and of Jalaprathan Cement Public Company Limited as at 31 December 2017, 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

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

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6, 7	504,580,835	466,957,177	246,998,034	204,891,816
Trade and other receivables	8	508,687,853	528,364,317	337,650,483	373,793,867
Current portion of long-term loans					
to non-related parties	11	2,872,916	2,816,106	-	-
Inventories	9	458,738,030	544,631,325	455,681,490	541,572,099
Input tax refundable		15,666,035	14,594,227	9,540,759	8,956,422
Other current assets		3,344,677	4,816,884	898,853	2,657,563
<b>Total current assets</b>		<u>1,493,890,346</u>	<u>1,562,180,036</u>	<u>1,050,769,619</u>	<u>1,131,871,767</u>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	286,241,767	286,241,767
Long-term loans to non-related parties - net of					
current portion	11	4,075,925	6,948,841	-	-
Property, plant and equipment	12	3,037,817,125	2,286,670,998	3,006,490,398	2,248,333,531
Intangible assets		1,888,600	-	1,888,600	-
Deferred tax assets	13	138,364,889	120,215,655	126,601,607	110,915,215
Other non-current assets		4,778,040	3,445,162	1,421,430	594,492
<b>Total non-current assets</b>		<u>3,186,924,579</u>	<u>2,417,280,656</u>	<u>3,422,643,802</u>	<u>2,646,085,005</u>
<b>Total assets</b>		<u>4,680,814,925</u>	<u>3,979,460,692</u>	<u>4,473,413,421</u>	<u>3,777,956,772</u>

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

## Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	868,452,291	814,441,124	645,306,224	604,397,739
Current portion of long-term loans from related parties	7	92,500,000	270,000,000	151,000,000	328,500,000
Income tax payable		987	522,712	-	-
Other current liabilities		3,805,477	9,082,811	2,901,229	8,127,737
Total current liabilities		964,758,755	1,094,046,647	799,207,453	941,025,476
Non-current liabilities					
Long-term loans from related parties - net					
of current portion	7	12,500,000	-	12,500,000	-
Provision for long-term employee benefits	15	65,221,627	62,128,137	31,001,326	34,162,187
Long-term provisions		21,296,433	13,800,294	16,137,021	13,800,294
Deferred tax liabilities	13	441,255,703	240,124,526	441,255,703	240,124,526
Total non-current liabilities		540,273,763	316,052,957	500,894,050	288,087,007
Total liabilities		1,505,032,518	1,410,099,604	1,300,101,503	1,229,112,483

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

**Jalaprathan Cement Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2017**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered					
120,000,000 ordinary shares of Baht 10 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and fully paid					
120,000,000 ordinary shares of Baht 10 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Share premium		973,768,690	973,768,690	973,768,690	973,768,690
Retained earnings					
Appropriated					
Statutory reserve	16	54,026,280	54,026,280	54,026,280	54,026,280
Other reserve	17	122,000,000	122,000,000	122,000,000	122,000,000
Unappropriated (deficit)		(931,856,901)	(733,772,525)	(934,308,234)	(754,268,942)
Other components of shareholders' equity	18	1,757,825,182	953,318,261	1,757,825,182	953,318,261
Equity attributable to owners of the Company		3,175,763,251	2,569,340,706	3,173,311,918	2,548,844,289
Non-controlling interests of the subsidiaries		19,156	20,382	-	-
Total shareholders' equity		3,175,782,407	2,569,361,088	3,173,311,918	2,548,844,289
Total liabilities and shareholders' equity		4,680,814,925	3,979,460,692	4,473,413,421	3,777,956,772

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

## Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		2,263,257,912	2,641,158,522	1,683,037,621	2,079,872,624
Interest income		3,786,019	3,365,176	465,354	676,049
Gains on sales of assets		2,275,625	-	1,170,987	124,100
Dividends income	10	-	-	9,799,335	37,797,435
Insurance claim for fire		50,760,670	11,957,337	50,760,670	11,957,337
Other income		21,518,600	24,369,986	19,666,268	21,117,501
<b>Total revenues</b>		<b>2,341,598,826</b>	<b>2,680,851,021</b>	<b>1,764,900,235</b>	<b>2,151,545,046</b>
<b>Expenses</b>					
Cost of sales		2,268,760,460	2,443,343,996	1,700,462,609	1,923,095,720
Selling expenses		66,978	118,585	66,978	73,233
Administrative expenses		95,664,230	73,088,026	73,519,897	40,480,108
Loss on impairment of assets	1.2	170,383,331	-	170,383,331	-
Doubtful debts (reversal)		(1,784,284)	5,307,003	(3,006,586)	(31,997)
<b>Total expenses</b>		<b>2,533,090,715</b>	<b>2,521,857,610</b>	<b>1,941,426,229</b>	<b>1,963,617,064</b>
<b>Profit (loss) before finance cost and income tax benefits</b>		<b>(191,491,889)</b>	<b>158,993,411</b>	<b>(176,525,994)</b>	<b>187,927,982</b>
Finance cost		(16,054,979)	(18,969,005)	(15,894,994)	(19,231,618)
<b>Profit (loss) before income tax benefits</b>		<b>(207,546,868)</b>	<b>140,024,406</b>	<b>(192,420,988)</b>	<b>168,696,364</b>
Income tax benefits	13	15,872,335	25,210,239	14,999,994	27,054,693
<b>Profit (loss) for the year</b>		<b>(191,674,533)</b>	<b>165,234,645</b>	<b>(177,420,994)</b>	<b>195,751,057</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains (losses) arising from post-employment benefits, net of income tax	13, 15	(6,410,404)	2,802,147	(2,618,298)	1,441,608
Gains on revaluations of land, net of income tax	12, 13	804,506,921	-	804,506,921	-
<b>Other comprehensive income for the year</b>		<b>798,096,517</b>	<b>2,802,147</b>	<b>801,888,623</b>	<b>1,441,608</b>
<b>Total comprehensive income for the year</b>		<b>606,421,984</b>	<b>168,036,792</b>	<b>624,467,629</b>	<b>197,192,665</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(191,674,229)	165,234,153	(177,420,994)	195,751,057
Non-controlling interests of the subsidiaries		(304)	492		
		<b>(191,674,533)</b>	<b>165,234,645</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		606,422,545	168,036,208	624,467,629	197,192,665
Non-controlling interests of the subsidiaries		(561)	584		
		<b>606,421,984</b>	<b>168,036,792</b>		
<b>Basic earnings per share</b>					
	20				
Profit (loss) attributable to equity holders of the Company		(1.60)	1.38	(1.48)	1.63

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

## Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2017

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company					Other components of equity					
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings		Unappropriated (deficit)	Other comprehensive income		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - other reserve	Appropriated - other reserve		Surplus on revaluation of land	Income			
Balance as at 1 January 2016	1,200,000,000	973,768,690	54,026,280	122,000,000	(901,808,733)	953,318,261	-	-	2,401,304,498	22,363	2,401,326,861
Profit for the year	-	-	-	-	165,234,153	-	-	-	165,234,153	492	165,234,645
Other comprehensive income for the year	-	-	-	-	2,802,055	-	-	-	2,802,055	92	2,802,147
Total comprehensive income for the year	-	-	-	-	168,036,208	-	-	-	168,036,208	584	168,036,792
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(2,565)	(2,565)
Balance as at 31 December 2016	1,200,000,000	973,768,690	54,026,280	122,000,000	(733,772,525)	953,318,261	-	-	2,569,340,706	20,382	2,569,361,088
Balance as at 1 January 2017	1,200,000,000	973,768,690	54,026,280	122,000,000	(733,772,525)	953,318,261	-	-	2,569,340,706	20,382	2,569,361,088
Loss for the year	-	-	-	-	(191,674,229)	-	-	-	(191,674,229)	(304)	(191,674,533)
Other comprehensive income for the year	-	-	-	-	(6,410,147)	804,506,921	-	-	798,096,774	(257)	798,096,517
Total comprehensive income for the year	-	-	-	-	(198,084,376)	804,506,921	-	-	606,422,545	(561)	606,421,984
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(665)	(665)
Balance as at 31 December 2017	1,200,000,000	973,768,690	54,026,280	122,000,000	(931,856,901)	1,757,825,182	-	-	3,175,763,251	19,156	3,175,782,407

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

## Jalaprathan Cement Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

Separate financial statements							(Unit: Baht)
	Issued and paid-up share capital	Retained earnings			Other components of equity	Total shareholders' equity	
		Share premium	Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated (deficit)		
							Surplus on revaluation of land
Balance as at 1 January 2016	1,200,000,000	973,768,690	54,026,280	122,000,000	(951,461,607)	953,318,261	2,351,651,624
Profit for the year	-	-	-	-	195,751,057	-	195,751,057
Other comprehensive income for the year	-	-	-	-	1,441,608	-	1,441,608
Total comprehensive income for the year	-	-	-	-	197,192,665	-	197,192,665
Balance as at 31 December 2016	1,200,000,000	973,768,690	54,026,280	122,000,000	(754,268,942)	953,318,261	2,548,844,289
Balance as at 1 January 2017	1,200,000,000	973,768,690	54,026,280	122,000,000	(754,268,942)	953,318,261	2,548,844,289
Loss for the year	-	-	-	-	(177,420,994)	-	(177,420,994)
Other comprehensive income for the year	-	-	-	-	(2,618,298)	804,506,921	801,888,623
Total comprehensive income for the year	-	-	-	-	(180,039,292)	804,506,921	624,467,629
Balance as at 31 December 2017	1,200,000,000	973,768,690	54,026,280	122,000,000	(934,308,234)	1,757,825,182	3,173,311,918

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



**Jalaprathan Cement Public Company Limited and its subsidiaries****Cash flow statement****For the year ended 31 December 2017**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(207,546,868)	140,024,406	(192,420,988)	168,696,364
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	168,319,972	176,935,423	156,985,449	165,926,205
Doubtful debts (reversal)	(1,784,284)	5,307,003	(3,006,586)	(31,997)
Reduce cost of inventory to net realisable value (reversal)	27,975,747	(4,541,341)	27,975,747	(4,541,341)
Impairment loss on assets (reversal)	143,041,580	(32,740,083)	143,041,580	(32,740,083)
Provision for long-term employee benefits	5,768,392	5,523,952	3,828,823	3,487,693
Provision for quarry restoration cost	3,145,500	11,746,000	3,145,500	11,746,000
Provision for demolishing cost	4,837,555	-	-	-
Written off bad debts	4,383,789	131,817	3,803,114	-
Written off assets	-	891,883	-	-
Gains on sales of plant and equipment	(2,275,625)	(210,086)	(1,170,987)	(124,100)
Dividend income from a subsidiary	-	-	(9,799,335)	(37,797,435)
Unrealised (gains) losses on exchange	46,199	(8,992)	46,199	(8,992)
Interest income	(3,147,130)	(2,493,398)	-	-
Interest expenses	5,038,388	7,767,353	7,066,583	9,801,105
Profit from operating activities before changes in operating assets and liabilities	147,803,215	308,333,937	139,495,099	284,413,419
Operating assets (increase) decrease				
Trade and other receivables	18,276,959	66,688,643	35,346,857	50,589,676
Inventories	52,561,046	(59,990,854)	52,558,360	(59,730,064)
Other current assets	339,509	(3,117,874)	1,174,372	(2,993,643)
Other non-current assets	(1,332,878)	669,629	(826,938)	943,529
Operating liabilities increase (decrease)				
Trade and other payables	33,752,853	91,536,686	22,368,654	69,210,271
Other current liabilities	(5,667,334)	(99,804)	(5,226,508)	(189,651)
Provision for long-term employee benefits	(10,089,185)	(2,756,540)	(9,675,385)	(1,252,500)
Long-term provisions	(808,773)	(1,915,544)	(808,773)	(1,915,544)
Cash from operating activities	234,835,412	399,348,279	234,405,738	339,075,493
Cash receipt from previous year income tax	-	1,715,586	-	1,715,586
Cash paid for income tax	(1,191,576)	(4,670,973)	(27,377)	(37,494)
<b>Net cash from operating activities</b>	<b>233,643,836</b>	<b>396,392,892</b>	<b>234,378,361</b>	<b>340,753,585</b>

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

## Jalaprathan Cement Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Acquisition of plant and equipment	(34,533,658)	(95,955,908)	(32,525,359)	(92,212,938)
Proceeds from sales of plant and equipment	2,803,500	713,630	2,790,000	124,100
Dividend income from a subsidiary	-	-	9,799,335	37,797,435
Cash receipt from long-term loans to non-related parties	2,816,106	2,760,304	-	-
Interest income	3,208,020	2,508,193	-	-
<b>Net cash used in investing activities</b>	<b>(25,706,032)</b>	<b>(89,973,781)</b>	<b>(19,936,024)</b>	<b>(54,291,403)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institution	-	(130,000,000)	-	(130,000,000)
Repayment of long-term loans from related parties	(165,000,000)	(110,000,000)	(165,000,000)	(110,000,000)
Dividend paid to non-controlling interests	(665)	(2,565)	-	-
Interest expenses	(5,313,481)	(6,574,543)	(7,336,119)	(8,102,635)
<b>Net cash used in financing activities</b>	<b>(170,314,146)</b>	<b>(246,577,108)</b>	<b>(172,336,119)</b>	<b>(248,102,635)</b>
<b>Net increase in cash and cash equivalents</b>	<b>37,623,658</b>	<b>59,842,003</b>	<b>42,106,218</b>	<b>38,359,547</b>
Cash and cash equivalents at beginning of year	466,957,177	407,115,174	204,891,816	166,532,269
<b>Cash and cash equivalents at end of year</b>	<b>504,580,835</b>	<b>466,957,177</b>	<b>246,998,034</b>	<b>204,891,816</b>

## Supplemental cash flows information

## Non-cash transactions

Purchases of equipment for which no cash has been paid	19,888,486	28,009,194	18,175,997	26,042,962
Transferred cement and spare parts to construction in progress during the year	5,356,502	26,021,597	5,356,502	26,021,597
Transferred assets under construction to intangible assets	1,888,600	-	1,888,600	-
Sales of equipment for which no cash has been receipt	1,200,000	-	-	-
Provision for demolishing cost	711,857	-	-	-

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

**Jalaprathan Cement Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2017**

**1. General information**

**1.1 Corporate information**

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

Head office:	23/124-128 Soi Soonvijai Rama 9 Road, Bangkapi, Huaykwang, Bangkok.
Takli plant:	1 Jalaprathan Cement Road, Tambol Takli, Amphur Takli, Nakornsawan.
Cha-Am plant:	1 Jalaprathan Cement Road, Tambol Cha-Am, Amphur Cha-Am, Petchaburi.

As at 31 December 2017, the Company had deficit of Baht 934 million (2016: Baht 754 million). However, the Company continues to receive financial support from its parent company. In addition, the Company’s management had reoriented the Company and change the production plan in order to obtain the production costs which can be compete in the market.

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

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

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

In addition, the Company also announced the voluntary resignation program and 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 Jalapathan Cement Public Company Limited (“the Company”) and two subsidiary companies (“the subsidiaries”) which are incorporated in Thailand. These are detailed below.

Company's name	Nature of business	Percentage of shareholding	
		<u>2017</u>	<u>2016</u>
		%	%
Jalapathan 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.

## **4.2 Cash and cash equivalents**

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

## **4.3 Trade and other receivables**

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

## **4.4 Inventories**

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

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

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

## **4.5 Investments**

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

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

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

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

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

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

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

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

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

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised 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 and structures	-	5 - 30 years
Machinery, tools and equipment	-	5 - 30 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

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

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

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

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

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

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

#### **4.8 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.

#### **4.9 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

#### **4.10 Impairment of assets**

At the end of each reporting period, the Company 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.

#### **4.11 Employee benefits**

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

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

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

###### ***Defined contribution plans***

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

###### ***Defined benefit plans***

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

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

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

## 4.12 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.

## 4.13 Income tax

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

### *Current tax*

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

### *Deferred Tax*

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

The Group recognises 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 shareholder's equity if the tax relates to items that are recorded directly to shareholder's equity.

## 4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 12 to the financial statements.

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

### Deferred tax assets

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

## 6. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Bank deposits	504,581	466,957	246,998	204,892
Total cash and cash equivalents	504,581	466,957	246,998	204,892

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interest at rates between 0.37 and 1.23 percent per annum (2016: between 0.37 and 1.35 percent per annum) (The Company only: between 0.37 and 0.38 percent per annum (2016: 0.37 and 0.38 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.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
<b><u>Transactions with parent company</u></b>				
Sales of goods	30	30	30	30
Sales of spare parts and assets	4	-	4	-
Purchases of goods	363	301	222	172
Management fee	59	73	55	69
Interest expenses	5	7	5	7
<b><u>Transactions with subsidiaries</u></b>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	14	19
Interest expenses	-	-	2	2
<b><u>Transactions with related companies</u></b>				
Sales of goods and raw materials	63	49	6	6
Purchases of goods	10	33	-	15
Technical fee	-	4	-	4
Management fee	12	13	-	1

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	
	2017	2016	2017	2016
<b><u>Bank deposits with related party</u></b>				
Related financial institution (related by common shareholders)	261,135	256,625	31,751	24,652
Total bank deposits with related party	261,135	256,625	31,751	24,652
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Parent company	24,570	27,117	24,547	27,093
Subsidiary	-	-	2,456	2,116
Related companies (related by common shareholders)	55,481	22,558	3,735	755
Total trade and other receivables - related parties	80,051	49,675	30,738	29,964
<b><u>Trade and other payables - related parties (Note 14)</u></b>				
Parent company	375,205	127,920	345,593	100,532
Subsidiary	-	-	3,525	9,174
Related companies (related by common shareholders)	87,777	84,693	1,601	4,110
Total trade and other payables - related parties	462,982	212,613	350,719	113,816
<b><u>Long-term loans from related parties</u></b>				
Parent company	105,000	270,000	105,000	270,000
Subsidiary	-	-	58,500	58,500
Total	105,000	270,000	163,500	328,500
Less: portion due within one year	(92,500)	(270,000)	(151,000)	(328,500)
Long-term loans from related parties - net of current portion	12,500	-	12,500	-

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

The outstanding balances represented unsecured promissory notes amounting to Baht 58.5 million, maturing on 29 December 2017. During 2017, both parties agree to extend the repayment schedule which the Company issued the new promissory notes dated 29 December 2017 amounting to Baht 58.50 million, maturing on 29 December 2018.

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

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

The outstanding balances 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 are repayable on a quarterly basis within 2017. However, the Board of Directors of Asia Cement Plc. had approval to extend the repayable period to 2019.

**Directors and management's benefits**

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

	(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	2.5	2.5	2.5	2.5

**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>				
Aged on the basis of due dates				
Not yet due	20,156	15,125	9,114	9,355
Past due				
Up to 3 months	19,712	8,927	1,641	-
3 - 6 months	11,674	4,779	-	-
6 - 12 months	6,504	-	-	-
Total trade receivables - related parties	58,046	28,831	10,755	9,355
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	325,974	373,949	243,169	285,253
Past due				
Up to 3 months	83,634	75,722	54,140	47,961
3 - 6 months	3,590	7,303	2,712	4,022
6 - 12 months	4,331	4,636	2,796	1,142
Over 12 months	29,878	34,247	3,843	5,073
Total	447,407	495,857	306,660	343,451
Less: Allowance for doubtful accounts	(21,647)	(23,431)	(1,888)	(4,895)
Total trade receivables - unrelated parties, net	425,760	472,426	304,772	338,556
Total trade receivables - net	483,806	501,257	315,527	347,911

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Other receivables</u>				
Other receivables - related parties	22,005	20,844	19,983	20,609
Other receivables - unrelated parties	2,877	6,263	2,140	5,274
Total other receivables	24,882	27,107	22,123	25,883
Total trade and other receivables - net	508,688	528,364	337,650	373,794

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	58,577	51,207	-	-	58,577	51,207
Work in process	65,474	54,179	-	-	65,474	54,179
Clinker	121,733	130,731	(9,307)	(2,000)	112,426	128,731
Raw materials	100,081	169,618	(9,409)	(4,005)	90,672	165,613
Spare parts and supplies	282,326	277,851	(150,737)	(135,472)	131,589	142,379
Goods in transit	-	2,522	-	-	-	2,522
Total	628,191	686,108	(169,453)	(141,477)	458,738	544,631

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	58,577	51,207	-	-	58,577	51,207
Work in process	65,474	54,179	-	-	65,474	54,179
Clinker	121,733	130,731	(9,307)	(2,000)	112,426	128,731
Raw materials	97,024	166,559	(9,409)	(4,005)	87,615	162,554
Spare parts and supplies	282,326	277,851	(150,737)	(135,472)	131,589	142,379
Goods in transit	-	2,522	-	-	-	2,522
Total	625,134	683,049	(169,453)	(141,477)	455,681	541,572



During the current year, the Company reduced cost of inventories by Baht 45 million to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 17 million which was reduced from the amount of inventories recognised as expenses during the year.

During 2016, the Company reversed the write-down of cost of inventories by Baht 5 million which was reduced from 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 on spare parts of machines related to the clinker production at Takli plant 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 percentage		Cost		Dividend received during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
Jalaprathan Concrete Co., Ltd.	280,000	280,000	99.99	99.99	279,981	279,981	9,799	37,797
Naga Property Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000	-	-
Total					379,981	379,981	9,799	37,797
Less: Allowance for impairment loss of investments					(93,739)	(93,739)		
Investments in subsidiaries - net					286,242	286,242		

## 11. Long-term loans to non-related parties

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

## 12. Property, plant and equipment

Consolidated financial statements											
Assets used in the operations						Unused assets but not classified as held for sale					
Revaluation basis	Cost basis					Cost basis					
	Buildings, leaseholds and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total	
<b>Cost/revalued amount:</b>											
As at 1 January 2016	1,250,834	45,620	871,605	30,489	143,732	223,098	275,469	91,927	75,317	8,051,977	(Unit: Thousand Baht)
Additions	-	-	-	64	-	148,361	-	-	-	149,987	
Disposals/write-off	-	-	-	-	(1,534)	(803)	-	-	-	(3,537)	
Transfer between accounts	(248)	248	50,380	6,645	1,627	(202,850)	-	-	-	-	
Transfer to assets used in the operations	-	-	-	-	-	-	-	-	(32,075)	-	
As at 31 December 2016	1,250,586	45,868	921,985	37,198	143,825	167,806	275,469	91,927	43,242	8,198,427	
Transfer to unused assets	-	-	(2,676)	-	(5,166)	-	2,676	5,166	-	-	
Additions	-	-	-	143	-	58,028	-	-	-	60,491	
Revaluations	1,005,633	-	-	-	-	-	-	-	-	1,005,633	
Disposals/write-off	-	-	(145)	(233)	-	-	(3,350)	-	-	(14,994)	
Transfer between accounts	-	-	6,842	395	-	(23,215)	-	-	-	-	
Transfer to intangible assets	-	-	-	-	-	(1,889)	-	-	-	(1,889)	
As at 31 December 2017	2,256,219	45,868	902,950	37,503	136,625	192,390	297,851	99,127	51,582	9,247,668	
<b>Accumulated depreciation:</b>											
As at 1 January 2016	-	6,546	717,258	21,675	125,288	-	151,709	86,252	-	4,940,517	
Depreciation for the year	-	138	24,289	3,352	6,695	-	-	-	-	176,936	
Depreciation on disposals/write-off	-	-	-	-	(1,534)	-	-	-	-	(2,142)	
As at 31 December 2016	-	6,684	741,547	25,027	130,449	-	151,709	86,252	-	5,115,311	
Transfer to unused assets	-	-	(2,676)	-	(5,166)	-	2,676	5,166	-	-	
Depreciation for the year	-	184	22,512	3,586	5,102	-	-	-	-	168,320	
Depreciation on disposals/write-off	-	-	(58)	(233)	-	-	(1,731)	-	-	(13,267)	
As at 31 December 2017	-	6,868	761,325	28,380	130,385	-	152,654	91,418	-	5,270,364	

(Unit: Thousand Baht)

Consolidated financial statements (continued)												
		Assets used in the operations					Unused assets but not classified as held for sale					
Revaluation basis	Cost basis					Cost basis						
	Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
Allowance for impairment loss:												
As at 1 January 2016	5,340	-	-	-	-	665	114	123,760	618,314	5,675	75,317	829,185
Decrease during the year	-	-	-	-	-	(665)	-	-	-	-	(32,075)	(32,740)
As at 31 December 2016	5,340	-	-	-	-	-	114	123,760	618,314	5,675	43,242	796,445
Increase (decrease) during the year	(670)	-	-	-	-	-	-	21,437	111,901	2,034	8,340	143,042
As at 31 December 2017	4,670	-	-	-	-	-	114	145,197	730,215	7,709	51,582	939,487
Net book value:												
As at 31 December 2016	1,245,246	39,184	180,438	628,564	12,171	13,376	167,692	-	-	-	-	2,286,671
As at 31 December 2017	2,251,549	39,000	141,625	398,004	9,123	6,240	192,276	-	-	-	-	3,037,817
Depreciation for the year												
2016 (Baht 176.62 million included in manufacturing cost and the balance in administrative expenses)												176,936
2017 (Baht 168.30 million included in manufacturing cost and the balance in administrative expenses)												168,320

(Unit: Thousand Baht)

## Separate 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, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total	
<b>Cost/revalued amount:</b>														
As at 1 January 2016	1,250,834	45,620	824,140	3,603,721	22,340	142,913	211,660	275,469	1,260,998	91,927	75,317	7,804,939		
Additions	-	-	-	1,562	64	-	142,652	-	-	-	-	144,278		
Disposals/write-off	-	-	-	-	-	(1,010)	-	-	-	-	-	(1,010)		
Transfer between accounts	(248)	248	46,528	138,455	2,575	1,627	(189,185)	-	-	-	-	-		
Transfer to assets used in the operations	-	-	-	32,075	-	-	-	-	-	-	-	(32,075)		
As at 31 December 2016	1,250,586	45,868	870,668	3,775,813	24,979	143,530	165,127	275,469	1,260,998	91,927	43,242	7,948,207		
Transfer unused assets	-	-	(25,732)	(186,636)	-	(7,200)	(8,340)	25,732	186,636	7,200	8,340	-		
Additions	-	-	-	2,320	143	-	53,595	-	-	-	-	56,058		
Revaluations	1,005,633	-	-	-	-	-	-	-	-	-	-	1,005,633		
Disposals/write-off	-	-	-	-	-	-	(19,824)	(3,350)	-	-	-	(3,350)		
Transfer between accounts	-	-	3,899	15,925	-	-	(1,889)	-	-	-	-	-		
Transfer to intangible assets	-	-	-	-	-	-	(1,889)	-	-	-	-	(1,889)		
As at 31 December 2017	2,256,219	45,868	848,835	3,607,422	25,122	136,330	188,669	297,851	1,447,634	99,127	51,582	9,004,659		
<b>Accumulated depreciation:</b>														
As at 1 January 2016	-	6,546	683,940	3,024,437	18,475	124,469	-	151,709	642,684	86,252	-	4,738,512		
Depreciation for the year	-	138	19,861	137,557	1,675	6,695	-	-	-	-	-	165,926		
Depreciation on disposals /write-off	-	-	-	-	-	(1,010)	-	-	-	-	-	(1,010)		
At 31 December 2016	-	6,684	703,801	3,161,994	20,150	130,154	-	151,709	642,684	86,252	-	4,903,428		
Transfer unused assets	-	-	(2,676)	(74,735)	-	(5,166)	-	2,676	74,735	5,166	-	-		
Depreciation for the year	-	184	18,043	132,039	1,617	5,102	-	-	-	-	-	156,985		
Depreciation on disposals /write-off	-	-	-	-	-	-	-	(1,731)	-	-	-	(1,731)		
As at 31 December 2017	-	6,868	719,168	3,219,298	21,767	130,090	-	152,654	717,419	91,418	-	5,058,682		

(Unit: Thousand Baht)

## Separate financial statements (continued)

	Assets used in the operations					Unused assets but not classified as held for sale					
Revaluation basis	Cost basis					Cost basis					
	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
Allowance for impairment loss:											
As at 1 January 2016	-	-	-	-	665	114	123,760	618,314	5,675	75,317	829,185
Decrease during the year	-	-	-	-	(665)	-	-	-	-	(32,075)	(32,740)
As at 31 December 2016	5,340	-	-	-	-	114	123,760	618,314	5,675	43,242	796,445
Increase (decrease) during the year	(670)	-	-	-	-	-	21,437	111,901	2,034	8,340	143,042
As at 31 December 2017	4,670	-	-	-	-	114	145,197	730,215	7,709	51,582	939,487
Net book value:											
As at 31 December 2016	1,245,246	39,184	166,867	613,819	4,829	13,376	165,013	-	-	-	2,248,334
As at 31 December 2017	2,251,549	39,000	129,667	388,124	3,355	6,240	188,555	-	-	-	3,006,490
Depreciation for the year											
2016 (Baht 165.91 million included in manufacturing cost, and the balance in administrative expenses)											165,926
2017 (Baht 156.97 million included in manufacturing cost, and the balance in administrative expenses)											156,985

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

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

Key assumptions used in the valuation are summarised below:

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

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2017	2016
Original cost	58,938	59,186
Surplus from revaluation	2,197,281	1,191,648
Less: Transfer to quarries cost	-	(248)
Revalued amount	2,256,219	1,250,586
Less: Allowance for impairment loss	(4,670)	(5,340)
Net book value	2,251,549	1,245,246

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

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

As at 31 December 2017, certain plant and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,680 million (2016: Baht 2,594 million) (The Company only: Baht 2,543 million (2016: Baht 2,448 million)).

### 13. Income tax

13.1 Income tax benefits 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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Current income tax charge	552	3,019	-	-
Over recorded of last year income tax	(81)	-	-	-
Write-off of non-refundable withholding tax				
deducted at source	199	38	27	36
Total	670	3,057	27	36
<b>Deferred tax:</b>				
Relating to origination and reversal of				
temporary differences	(16,542)	(28,267)	(15,027)	(27,091)
Total	(16,542)	(28,267)	(15,027)	(27,091)
Income tax benefits reported in the statement of				
comprehensive income	<u>(15,872)</u>	<u>(25,210)</u>	<u>(15,000)</u>	<u>(27,055)</u>

13.2 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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial (gains) losses arising from				
post-employment benefits	1,603	(701)	655	(360)
Deferred tax on gain on revaluations of land	201,126	-	201,126	-
Total	<u>202,729</u>	<u>(701)</u>	<u>201,781</u>	<u>(360)</u>

### 13.3 The reconciliation between accounting profit and income tax benefits 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 (loss) before tax	(207,547)	140,024	(192,421)	168,696
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiply by income tax rate	(41,509)	28,005	(38,484)	33,739
Deferred taxes assets which were not recognised during the year				
- Transferred employee benefits	120	-	117	-
- Allowance for impairment loss of land	(134)	-	(134)	-
Utilisation of previously unrecognised deferred tax assets				
- Tax losses	(3)	(5)	-	-
- Allowance for diminution in value of inventories	-	(5,380)	-	(5,380)
- Allowance for impairment loss of assets	-	(69,204)	-	(69,204)
Tax effect of non-deductible expenses	1,954	4,061	(108)	(3,521)
Tax effect of reversal tax losses expired	23,582	17,275	23,582	17,275
Over recorded of last year income tax	(81)	-	-	-
Write-off of non-refundable withholding tax deducted at source	199	38	27	36
Income tax benefits reported in the statement of comprehensive income	<u>(15,872)</u>	<u>(25,210)</u>	<u>(15,000)</u>	<u>(27,055)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	21,647	23,431	1,888	4,895
Allowance for diminution in value of inventories	169,453	141,477	169,453	141,477
Allowance for impairment loss of assets	307,989	242,331	307,989	242,331
Provision for quarry restoration costs	16,137	13,800	16,137	13,800
Provision for long-term employee benefits	65,221	62,128	31,001	34,162
Provision for demolishing cost	4,837	-	-	-
Tax losses	106,540	117,911	106,540	117,911
Total	<u>691,824</u>	<u>601,078</u>	<u>633,008</u>	<u>554,576</u>
Application tax rate	20%	20%	20%	20%
Deferred tax assets	<u>138,365</u>	<u>120,216</u>	<u>126,602</u>	<u>110,915</u>



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Deferred tax liabilities</b>				
Depreciation from changing useful lives of assets	8,997	8,975	8,997	8,975
Surplus from revaluation of land	2,197,281	1,191,648	2,197,281	1,191,648
Total	2,206,278	1,200,623	2,206,278	1,200,623
Applicable tax rate	20%	20%	20%	20%
Deferred tax liabilities	441,256	240,125	441,256	240,125

13.5 As at 31 December 2017, the Group has deductible temporary differences totalling Baht 98 million (2016: Baht 93 million) (The Company only: Baht 98 million (2016: Baht 93 million)). No deferred tax assets have been recognised on these amount as the Group believes its future taxable profits may not be sufficient to allow utilisation of the temporary differences.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
31 December 2017	-	118	-	118
31 December 2022	107	-	107	-
	107	118	107	118

#### 14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties	304,159	115,899	277,902	89,287
Trade payables - unrelated parties	234,896	412,481	153,660	331,858
Other payables - related parties	158,823	96,714	72,817	24,529
Other payables - unrelated parties	115,552	137,412	102,817	122,310
Advance received from customers	3,403	4,637	619	1,499
Accrued expenses	51,619	47,298	37,491	34,915
Total trade and other payables	868,452	814,441	645,306	604,398

## 15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations 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>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	62,128	62,863	34,162	33,729
Included in profit or loss:				
Current service cost	4,136	3,706	2,951	2,499
Interest cost	1,633	1,818	877	988
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
- Demographic assumptions changes	140	-	(19)	-
- Financial assumptions changes	-	1,786	-	911
- Experience adjustments	7,823	(5,289)	3,292	(2,713)
Benefits paid during the year	(10,089)	(2,756)	(9,675)	(1,252)
Effect of transferred employees	(599)	-	(587)	-
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	65,222	62,128	31,001	34,162

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	3,828	3,488	3,828	3,487
Selling and administrative expenses	1,941	2,036	-	-
<b>Total expenses recognised in profit or loss</b>	<u>5,769</u>	<u>5,524</u>	<u>3,828</u>	<u>3,487</u>

The Group expects to pay Baht 2 million of long-term employee benefits during the next year (The Company only: Baht 1 million) (2016: Baht 2 million (The Company only: Baht 2 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 years (The Company only: 9 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<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:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Discount rate	(64)	67	(30)	32
Salary increase rate	67	(64)	32	(30)

## 16. 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.

## 17. Other reserve

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

## 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 follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries and wages and other employee benefits	128,433	145,222	98,196	114,981
Depreciation	168,320	176,935	156,985	165,926
Loss on impairment of assets (reversal)	144,379	(32,740)	144,379	(32,740)
Loss on obsolescence and impairment of raw materials, spare parts and supplies (reversal)	27,976	(4,541)	27,976	(4,541)
Doubtful debts (reversal)/written off bad debts	2,600	5,439	797	(32)
Rental expenses from operating lease agreements	19,191	18,725	4,768	4,829
Transportation expenses	64,619	60,878	-	-
Management fee	70,485	81,306	55,000	66,284
Repair and maintenance expenses	116,050	162,292	104,830	158,771
Raw materials used, consumables used and purchase of goods	1,139,561	1,148,645	755,673	787,558
Changes in inventories of finished goods, work in process and clinker	9,666	62,639	9,666	62,639

## 20. Basic earnings per share

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

## 21. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments as follows: (1) Manufacturing of cement and (2) Manufacturing of ready-mixed concrete. No operating segments have been aggregated to form the above reportable operating segments.

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

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

The 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 years ended 31 December 2017 and 2016.

(Unit: Million Baht)

	Consolidated financial statements							
	Cement segment		Ready-mixed concrete segment		Elimination of inter-segment revenues		Total	
					2017	2016		
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers	1,669	2,061	595	580	-	-	2,264	2,641
Inter-segment revenues	14	19	-	-	(14)	(19)	-	-
Interest income	-	1	5	5	(2)	(2)	3	4
Other income	82	70	3	3	(10)	(38)	75	35
Total revenues	1,765	2,151	603	588	(26)	(59)	2,342	2,680
Cost of sales	1,544	1,757	572	529	(14)	(19)	2,102	2,267
Administrative expenses	74	40	22	32	-	-	96	72
Depreciation	157	166	11	11	-	-	168	177
Doubtful debts	(3)	-	1	5	-	-	(2)	5
Other expenses	170	-	-	-	-	-	170	-
Total expenses	1,942	1,963	606	577	(14)	(19)	2,534	2,521
Profit (loss) before finance cost and income tax benefits (expenses)	(177)	188	(3)	11	(12)	(40)	(192)	159
Finance cost	(16)	(19)	(2)	(2)	2	2	(16)	(19)
Income tax benefits (expenses)	15	27	1	(2)	-	-	16	25
Profit (loss) for the year	(178)	196	(4)	7	(10)	(38)	(192)	165

## 22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and its employees contributed to the fund monthly at the rate of 5 - 10 percent of basic salaries. The fund, which is managed by UOB Asset Management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 7 million (2016: Baht 7 million) were recognised as expenses.

## 23. Commitments and contingent liabilities

### 23.1 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of land and motor vehicle. The terms of the agreements are generally between 1 and 10 years.

As at 31 December 2017 and 2016, lease payment obligations 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	12	11	4	4
In over 1 and up to 5 year	10	10	3	6

### 23.2 Long-term service agreements commitments

- a) The Group has entered into agreements relation to the concrete transportation, packing cement and other related services. The Group is committed to pay service fees calculated from quantities and distance multiplied by the rate specified in the agreements.
- b) The subsidiary has entered into services agreement relation to service of manage batching plants, quality control, marketing and sales. The subsidiary is committed to pay service fees charged at a rate of yearly turnover as specified in the agreement. Agreement holds for a period of ten years effective from 1 January 2005, and if no notice from party of the contract the agreement will automatically be extended by successive period of one year.
- c) The subsidiary has entered into service agreement related to computer advisory and training services. The subsidiary is committed to pay service fees at the rate specified in the agreement.
- d) The Group has entered into others services agreements, mostly related to repair and maintenance of machines and equipment. 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	12	15	7	14
In over 1 and up to 5 years	2	-	1	-

### 23.3 Purchase of raw materials commitment

As at 31 December 2017, the Company has entered into the agreements amounting to Baht 65 million (2016: Baht 245 million) regarding to purchase of raw materials in the future. In addition, the Group has commitment regarding to purchase of raw materials in the future which commitment value will be based on the purchase volume and price specified in the agreements.

### 23.4 Bank guarantees

The Group has outstanding bank guarantees issued by banks on behalf of the Company and the 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 electricity use	45	45	43	43
Other guarantees	2	2	2	2

## 24. Financial instruments

### 24.1 Financial risk management policies

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprises cash and cash equivalents, trade and other receivables, loan receivables, investments, trade and other payables and loans. The financial risks associated with these financial instruments and the risk management policies are described below.

### Credit risk

The 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 of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables 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.

As at 31 December 2017 and 2016, significant financial assets and liabilities are classified by type of interest rate are summarised in the table below. Financial assets and liabilities that carry fixed interest rates are further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)						
Consolidated financial statements						
As at 31 December 2017						
	Fixed interest rates within 1 year	Fixed interest rates more than 1-5 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalent	210	-	277	18	505	0.37 - 1.23
Trade and other receivables	-	-	-	509	509	-
Long-term loans to non-related parties	3	4	-	-	7	2.00
	213	4	277	527	1,021	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	868	868	-
Long-term loans from related parties	-	-	105	-	105	3.93
	-	-	105	868	973	



(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
	Fixed interest rates within 1 year	Fixed interest rates more than 1-5 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalent	220	-	209	38	467	0.37 - 1.35
Trade and other receivables	-	-	-	528	528	-
Long-term loans to non-related parties	3	7	-	-	10	2.00
	223	7	209	566	1,005	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	814	814	-
Long-term loans from related parties	-	-	270	-	270	1.93
	-	-	270	814	1,084	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
	Fixed interest					
	Fixed interest rates within 1 year	rates more than 1-5 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
						(% p.a.)
<b>Financial assets</b>						
Cash and cash equivalent	-	-	229	18	247	0.37 - 0.38
Trade and other receivables	-	-	-	338	338	-
Investment in subsidiaries	-	-	-	286	286	-
	-	-	229	642	871	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	645	645	-
Long-term loans from related parties	-	-	164	-	164	3.47 - 3.93
	-	-	164	645	809	

(Unit: Million Baht)						
Separate financial statements						
As at 31 December 2016						
	Fixed interest rates within 1 year	Fixed interest rates more than 1-5 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalent	-	-	168	37	205	0.37 - 0.38
Trade and other receivables	-	-	-	374	374	-
Investment in subsidiaries	-	-	-	286	286	-
	-	-	168	697	865	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	604	604	-
Long-term loans from related parties	-	-	329	-	329	1.93 - 3.47
	-	-	329	604	933	

### Foreign currency risk

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

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

Foreign currency	Financial liabilities as at 31 December		Selling exchange rate as at 31 December	
	2017 (Million)	2016 (Million)	2017 (Baht per 1 foreign currency unit)	2016
Euro	0.06	0.07	39.3938	38.1362

## 24.2 Fair values 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.

## 25. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.47:1 (2016: 0.55:1) and the Company's was 0.41:1 (2016: 0.48:1).

## 26. Approval of financial statements

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



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