

รายงานประจำปี

ANNUAL REPORT

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บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)
Jalapraphan Cement
Public Company Limited

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Message from the Chairman

Jalaprathan Cement Public Co., Ltd.



In 2016, the demand for cement in Thailand was approximately at 34 million tons which had decreased 1.6 percent compared to 2015. The total revenue of the Company was 2,681 million Baht, decreasing by 14 percent and the net profit was 165 million Baht, decreasing by 56 percent, due to new capacity increased the supply of cement and resulting in high competition and downward in revenue.

The cement plant in Cha-am, Petchaburi province was awarded with the “Green Mining” award from the Department of Primary Industries and Mines, Ministry of Industry for the 4th consecutive year and “EIA Monitoring Award for Limestone Quarry” which shows the Company’s capabilities in environmental management and social responsibilities. In addition, both the Takli and Cha-am plants received the “CSR-DPIM for Clay Quarry” award for successfully incorporating corporate social responsibility practices in their operations which shows the Company’s responsibilities towards the society.

Takli and Cha-am plants had organized various activities in accordance with the sustainable development policy of the Company namely giving the “Golden Naga” scholarship, lunch funds, and sport equipments to children in schools situated near the Company’s plants and further away in Nongplub, Prachuap Khirikhan province. Furthermore, the Company had also set up mobile health units. In addition, Takli plant presented terufusion infusion pump and otoscope-ophthalmoscope to Takli Hospital, Nakhon Sawan province

Regarding the installing of solar PV rooftops project which the Company was launched in 2014, the Company has installed for five schools in Cha-am district, six schools in Takli district and four schools in Nongplub sud-district, Prachuap Khirikhan province. Schools are able to reduce their electricity bills by 60-70 percent, thus allowing the schools to allocate more of its budget for student’s development program.

On behalf of the Company, I would like to take this opportunity to express my gratitude to our customers, stakeholders, the management team, and employees who continuously give us the support that allows the Company to progress with stability.

A handwritten signature in blue ink, reading "Gen. A. K. 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 2016

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

Company:	Jalaprathan Cement Public Company Limited
Establishment:	September 12, 1956
Head Office:	23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok
Plant:	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
Type of Business:	Cement Production and Sale
Registration No.:	0107537001676 (Previous No. Bor Mor Jor. 414)

Registered Capital at the Beginning:

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

Registered Capital in the Present Year:

Registered Capital	Baht 1,200,000,000
Paid up Capital	Baht 1,200,000,000 comprising common share of 120,000,000 shares
Par Value	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. Mr. Roberto Callieri	No	No	No
4. Police General Suthep Dhamaraks	No	No	No
5. Mr. Kevin Gerard Gluskie	No	No	No
6. Mr. Nopadol Ramyarupa	No	No	No
7. Mr. Claudio Dealberti	No	No	No

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

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

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

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

6. The remuneration of Board of Directors paid in 2016

Name of Director	Remuneration (Baht)
1. General Ayupoon Karnasuta	1,448,000
2. Mr. Rapee Sukhyanga	188,000
3. Mr. Roberto Callieri Mr. Giovanni Maggiora	75,000 105,000
4. Police General Suthep Dhamaraks	182,000
5. Mr. Kevin Gerard Gluskie Mr. Agostino Nuzzolo	75,000 105,000
6. Mr. Nopadol Ramyarupa	188,000
7. Mr. Claudio Dealberti Mr. Roberto Callieri	75,000 105,000
Total	2,546,000

Remarks:

- Pursuant to the resolution of the Board of Directors meeting dated 15th July 2016, the meeting's resolution has appointed directors as follows:

1. Mr. Roberto Callieri as a Director in place of Mr. Giovanni Maggiora.
2. Mr. Kevin Gerard Gluskie as a Director in place of Mr. Agostino Nuzzolo.
3. Mr. Claudio Dealberti as a Director in place of Mr. Roberto Callieri.

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 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jalaprathan Cement Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jalaprathan Cement Public Company Limited and its subsidiaries and of Jalaprathan Cement Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 24 February 2017

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	6, 7	466,957,177	407,115,174	204,891,816	166,532,269
Trade and other receivables	8	528,364,317	600,491,780	373,793,867	424,351,546
Current portion of long-term loans					
to non-related parties	11	2,816,106	2,760,304	-	-
Inventories	9	544,631,325	506,120,727	541,572,099	503,322,291
Input tax refundable		14,594,227	11,030,502	8,956,422	6,144,749
Other current assets		4,816,884	6,993,116	2,657,563	4,191,179
Total current assets		1,562,180,036	1,534,511,603	1,131,871,767	1,104,542,034
Non-current assets					
Investments in subsidiaries	10	-	-	286,241,767	286,241,767
Long-term loans to non-related parties - net of					
current portion	11	6,948,841	9,764,947	-	-
Property, plant and equipment	12	2,286,670,998	2,282,275,066	2,248,333,531	2,237,242,156
Deferred tax assets	13	120,215,655	92,722,372	110,915,215	84,256,041
Other non-current assets		3,445,162	4,114,791	594,492	1,538,021
Total non-current assets		2,417,280,656	2,388,877,176	2,646,085,005	2,609,277,985
Total assets		3,979,460,692	3,923,388,779	3,777,956,772	3,713,820,019

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 2016**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	14	-	130,000,000	-	130,000,000
Trade and other payables	15	814,441,124	693,711,427	604,397,739	507,455,029
Current portion of long-term loans from related parties	7	270,000,000	165,000,000	328,500,000	223,500,000
Income tax payable		522,712	2,137,493	-	-
Other current liabilities		9,082,811	9,182,615	8,127,737	8,317,388
Total current liabilities		1,094,046,647	1,000,031,535	941,025,476	869,272,417
Non-current liabilities					
Long-term loans from related parties - net					
of current portion	7	-	215,000,000	-	215,000,000
Provision for long-term employee benefits	16	62,128,137	62,863,409	34,162,187	33,729,004
Long-term provisions		13,800,294	3,969,838	13,800,294	3,969,838
Deferred tax liabilities	13	240,124,526	240,197,136	240,124,526	240,197,136
Total non-current liabilities		316,052,957	522,030,383	288,087,007	492,895,978
Total liabilities		1,410,099,604	1,522,061,918	1,229,112,483	1,362,168,395

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
120,000,000 ordinary shares of Baht 10 each		<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued and fully paid					
120,000,000 ordinary shares of Baht 10 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Share premium		973,768,690	973,768,690	973,768,690	973,768,690
Retained earnings					
Appropriated					
Statutory reserve	17	54,026,280	54,026,280	54,026,280	54,026,280
Other reserve	18	122,000,000	122,000,000	122,000,000	122,000,000
Unappropriated (deficit)		(733,772,525)	(901,808,733)	(754,268,942)	(951,461,607)
Other components of shareholders' equity	19	<u>953,318,261</u>	<u>953,318,261</u>	<u>953,318,261</u>	<u>953,318,261</u>
Equity attributable to owners of the Company		2,569,340,706	2,401,304,498	2,548,844,289	2,351,651,624
Non-controlling interests of the subsidiaries		<u>20,382</u>	<u>22,363</u>	-	-
Total shareholders' equity		<u>2,569,361,088</u>	<u>2,401,326,861</u>	<u>2,548,844,289</u>	<u>2,351,651,624</u>
Total liabilities and shareholders' equity		<u>3,979,460,692</u>	<u>3,923,388,779</u>	<u>3,777,956,772</u>	<u>3,713,820,019</u>

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

Jalaprathan Cement Public Company Limited and its subsidiaries**Statement of comprehensive income****For the year ended 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		2,641,158,522	2,967,378,866	2,079,872,624	2,377,804,272
Interest income		3,365,176	2,291,232	676,049	605,212
Gains on sales of assets		-	98,707,099	124,100	-
Dividends income	10	-	-	37,797,435	47,596,770
Other income		36,327,323	31,146,161	33,074,838	29,255,407
Total revenues		2,680,851,021	3,099,523,358	2,151,545,046	2,455,261,661
Expenses					
Cost of sales		2,443,343,996	2,597,548,873	1,923,095,720	2,046,149,413
Selling expenses		118,585	53,219	73,233	53,219
Administrative expenses		73,088,026	98,725,828	40,480,108	68,014,830
Allowance for doubtful accounts (reversal)		5,307,003	9,571,119	(31,997)	163,792
Total expenses		2,521,857,610	2,705,899,039	1,963,617,064	2,114,381,254
Profit before finance cost and income tax expenses		158,993,411	393,624,319	187,927,982	340,880,407
Finance cost		(18,969,005)	(27,522,076)	(19,231,618)	(27,806,599)
Profit before income tax expenses		140,024,406	366,102,243	168,696,364	313,073,808
Income tax income	13	25,210,239	5,105,422	27,054,693	25,252,843
Profit for the year		165,234,645	371,207,665	195,751,057	338,326,651
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	13, 16	2,802,147	(5,477,334)	1,441,608	(4,071,566)
Other comprehensive income for the year		2,802,147	(5,477,334)	1,441,608	(4,071,566)
Total comprehensive income for the year		168,036,792	365,730,331	197,192,665	334,255,085
Profit attributable to:					
Equity holders of the Company		165,234,153	371,205,891	195,751,057	338,326,651
Non-controlling interests of the subsidiaries		492	1,774		
		165,234,645	371,207,665		
Total comprehensive income attributable to:					
Equity holders of the Company		168,036,208	365,728,652	197,192,665	334,255,085
Non-controlling interests of the subsidiaries		584	1,679		
		168,036,792	365,730,331		
Basic earnings per share					
Profit attributable to equity holders of the Company	21	1.38	3.09	1.63	2.82

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 2016**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	140,024,406	366,102,243	168,696,364	313,073,808
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation	176,935,423	168,108,883	165,926,205	158,292,386
Allowance for doubtful accounts (reversal)	5,307,003	9,571,119	(31,997)	163,792
Reversal decrease of inventory to net realisable value	(4,541,341)	(4,968,498)	(4,541,341)	(4,968,498)
Reversal allowance for impairment loss on assets	(32,740,083)	(1,123,200)	(32,740,083)	(1,123,200)
Provision for long-term employee benefits	5,523,952	3,804,385	3,487,693	1,897,736
Long-term provisions	11,746,000	2,078,000	11,746,000	2,078,000
Written off bad debts	131,817	-	-	-
Written off assets	891,883	-	-	-
Gains on sales of investment property	-	(100,235,000)	-	-
(Gains) losses on sales of plant and equipment	(210,086)	1,527,901	(124,100)	1,651,996
Dividend income from a subsidiary	-	-	(37,797,435)	(47,596,770)
Unrealised (gains) losses on exchange	(8,992)	110,453	(8,992)	110,453
Interest income	(2,493,398)	(1,485,086)	-	-
Interest expenses	7,767,353	19,569,980	9,801,105	21,696,503
Income from operating activities before changes in operating assets and liabilities	308,333,937	463,061,180	284,413,419	445,276,206
Operating assets (increase) decrease				
Trade and other receivables	66,688,643	38,258,703	50,589,676	3,929,390
Inventories	(59,990,854)	31,794,582	(59,730,064)	30,963,102
Other current assets	(3,117,874)	3,254,195	(2,993,643)	3,701,378
Other non-current assets	669,629	166,044	943,529	146,754
Operating liabilities increase (decrease)				
Trade and other payables	91,536,686	(156,860,016)	69,210,271	(149,442,444)
Other current liabilities	(99,804)	(4,178,644)	(189,651)	(4,105,667)
Provision for long-term employee benefits	(2,756,540)	(458,500)	(1,252,500)	(458,500)
Long-term provisions	(1,915,544)	(1,123,164)	(1,915,544)	(1,123,164)
Cash from operating activities	399,348,279	373,914,380	339,075,493	328,887,055
Cash receipt from previous year income tax	1,715,586	674,579	1,715,586	674,579
Cash paid for income tax	(4,670,973)	(11,843,542)	(37,494)	(32,398)
Net cash from operating activities	396,392,892	362,745,417	340,753,585	329,529,236

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 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Acquisition of plant and equipment	(95,955,908)	(85,588,684)	(92,212,938)	(79,437,197)
Proceeds from sales of investment property	-	200,000,000	-	-
Proceeds from sales of plant and equipment	713,630	2,842,355	124,100	2,488,355
Dividend income from a subsidiary	-	-	37,797,435	47,596,770
Cash receipt from long-term loans to non-related parties	2,760,304	2,705,848	-	-
Interest income	2,508,193	995,885	-	-
Net cash from (used in) investing activities	(89,973,781)	120,955,404	(54,291,403)	(29,352,072)
Cash flows from financing activities				
Decrease in short-term loans from financial institution	(130,000,000)	(150,000,000)	(130,000,000)	(150,000,000)
Cash receipt from long-term loans from related parties	-	380,000,000	-	380,000,000
Repayment of long-term loans from related parties	(110,000,000)	(499,236,474)	(110,000,000)	(499,236,474)
Dividend paid to non-controlling interests	(2,565)	(3,230)	-	-
Interest expenses	(6,574,543)	(21,891,346)	(8,102,635)	(24,500,891)
Net cash used in financing activities	(246,577,108)	(291,131,050)	(248,102,635)	(293,737,365)
Net increase in cash and cash equivalents	59,842,003	192,569,771	38,359,547	6,439,799
Cash and cash equivalents at beginning of year	407,115,174	214,545,403	166,532,269	160,092,470
Cash and cash equivalents at end of year	466,957,177	407,115,174	204,891,816	166,532,269
Supplemental cash flows information				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	28,009,194	51,660,318	26,042,962	42,205,491
Transferred cement and spare parts to construction in progress during the year	26,021,597	13,241,388	26,021,597	13,241,388

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 2016

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated (deficit)	Other comprehensive income Surplus on revaluation of land			
Balance as at 1 January 2015	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,267,537,385)	953,318,261	2,035,575,846	23,914	2,035,599,760
Profit for the year	-	-	-	-	371,205,891	-	371,205,891	1,774	371,207,665
Other comprehensive income for the year	-	-	-	-	(5,477,239)	-	(5,477,239)	(95)	(5,477,334)
Total comprehensive income for the year	-	-	-	-	365,728,652	-	365,728,652	1,679	365,730,331
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	(3,230)	(3,230)
Balance as at 31 December 2015	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(901,808,733)</u>	<u>953,318,261</u>	<u>2,401,304,498</u>	<u>22,363</u>	<u>2,401,326,861</u>
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	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(733,772,525)</u>	<u>953,318,261</u>	<u>2,569,340,706</u>	<u>20,382</u>	<u>2,569,361,088</u>

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 2016

(Unit: Baht)

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity	
			Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated (deficit)	Other comprehensive income	
						Surplus on revaluation of land	
Balance as at 1 January 2015	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,285,716,692)	953,318,261	2,017,396,539
Profit for the year	-	-	-	-	338,326,651	-	338,326,651
Other comprehensive income for the year	-	-	-	-	(4,071,566)	-	(4,071,566)
Total comprehensive income for the year	-	-	-	-	334,255,085	-	334,255,085
Balance as at 31 December 2015	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(951,461,607)</u>	<u>953,318,261</u>	<u>2,351,651,624</u>
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	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(754,268,942)</u>	<u>953,318,261</u>	<u>2,548,844,289</u>

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 2016

1. General information

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

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

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

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

As at 31 December 2016, the Company had deficit of Baht 754 million (2015: Baht 951 million). However, the Company continues to receive financial support from its parent company. In addition, the Company’s management had reoriented the Company and change the production plan in order to obtain the production costs which can be compete in the market.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding	
		2016	2015
		%	%
Jalaprathan Concrete Co., Ltd.	Manufacturing of ready-mixed concrete	99.99	99.99
Naga Property Co., Ltd.	Ceased its operation	100.00	100.00

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

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

3. **New financial reporting standards**

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements

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

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

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

TAS 27 (revised 2016) Separate Financial Statements

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rental income

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

Interest income

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

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 account receivables

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

4.4 Inventories

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

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

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

4.5 Investments

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

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

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

4.6 Property, plant and equipment/Depreciation

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

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

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

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

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

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

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

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

4.7 Related party transactions

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

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

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

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

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

4.11 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 reporting period.

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

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

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

4.14 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 can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Bank deposits	466,957	407,115	204,892	166,532
Total	<u>466,957</u>	<u>407,115</u>	<u>204,892</u>	<u>166,532</u>

As at 31 December 2016, bank deposits in saving accounts and fixed accounts carried interest at rates between 0.37 and 1.35 percent per annum (2015: between 0.37 and 1.28 percent per annum) (Separate financial statements: between 0.37 and 0.38 percent per annum (2015: 0.37 percent per annum)).

7. Related party transactions

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with parent company</u>				
Sales of goods	30	48	30	47
Purchases of goods	301	380	172	239
Management fee	73	67	69	64
Interest expenses	7	1	7	1
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	19	34
Interest expenses	-	-	2	2
<u>Transactions with related companies</u>				
Sales of goods and raw materials	49	40	6	2
Purchases of goods	33	37	15	21
Technical fee	4	5	4	5
Management fee	13	13	1	1
Interest expenses	1	16	1	16

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Bank deposits with related party</u>				
Related financial institution (related by common shareholders)	256,625	199,453	24,652	5,557
Total bank deposits with related party	<u>256,625</u>	<u>199,453</u>	<u>24,652</u>	<u>5,557</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Parent company	27,117	39,726	27,093	39,700
Subsidiary	-	-	2,116	6,283
Related companies (related by common shareholders)	22,558	34,608	755	1,777
Total trade and other receivables - related parties	<u>49,675</u>	<u>74,334</u>	<u>29,964</u>	<u>47,760</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Short-term loans from related party (Note 14)</u>				
Related financial institution (related by common shareholders)	-	130,000	-	130,000
Total short-term loans from related party	-	130,000	-	130,000
<u>Trade and other payables - related parties (Note 15)</u>				
Parent company	127,920	138,535	100,532	114,312
Subsidiary	-	-	9,174	7,396
Related companies (related by common shareholders)	84,693	75,914	4,110	8,235
Total trade and other payables - related parties	212,613	214,449	113,816	129,943
<u>Long-term loans from related parties</u>				
Parent company	270,000	380,000	270,000	380,000
Subsidiary	-	-	58,500	58,500
Total	270,000	380,000	328,500	438,500
Less: portion due within one year	(270,000)	(165,000)	(328,500)	(223,500)
Long-term loans from related parties - net of current portion	-	215,000	-	215,000

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

The outstanding balances represented unsecured promissory notes amounting to Baht 58.5 million, maturing on 29 December 2016. During 2016, both parties agree to extend the repayment schedule which the Company issued the new promissory notes dated 29 December 2016 amounting to Baht 58.50 million, maturing on 29 December 2017.

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

Directors and management's benefits

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	2.5	2.6	2.5	2.6

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	15,125	21,096	9,355	19,184
Past due				
Up to 3 months	8,927	11,064	-	-
3 - 6 months	4,779	10,284	-	-
6 - 12 months	-	2,816	-	-
Total trade receivables - related parties	<u>28,831</u>	<u>45,260</u>	<u>9,355</u>	<u>19,184</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	373,949	409,546	285,253	305,143
Past due				
Up to 3 months	75,722	94,452	47,961	65,015
3 - 6 months	7,303	9,185	4,022	4,718
6 - 12 months	4,636	15,750	1,142	991
Over 12 months	34,247	14,051	5,073	4,731
Total	<u>495,857</u>	<u>542,984</u>	<u>343,451</u>	<u>380,598</u>
Less: Allowance for doubtful accounts	<u>(23,431)</u>	<u>(18,124)</u>	<u>(4,895)</u>	<u>(4,927)</u>
Total trade receivables - unrelated parties, net	<u>472,426</u>	<u>524,860</u>	<u>338,556</u>	<u>375,671</u>
Total trade receivables - net	<u>501,257</u>	<u>570,120</u>	<u>347,911</u>	<u>394,855</u>
<u>Other receivables</u>				
Other receivables - related parties	20,844	29,074	20,609	28,576
Other receivables - unrelated parties	6,263	1,298	5,274	921
Total other receivables	<u>27,107</u>	<u>30,372</u>	<u>25,883</u>	<u>29,497</u>
Total trade and other receivables - net	<u>528,364</u>	<u>600,492</u>	<u>373,794</u>	<u>424,352</u>

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	51,207	43,583	-	-	51,207	43,583
Work in process	54,179	49,213	-	-	54,179	49,213
Clinker	130,731	69,144	(2,000)	(2,000)	128,731	67,144
Raw materials	169,618	192,521	(4,005)	(4,005)	165,613	188,516
Spare parts and supplies	277,851	285,504	(135,472)	(140,013)	142,379	145,491
Goods in transit	2,522	12,174	-	-	2,522	12,174
Total	686,108	652,139	(141,477)	(146,018)	544,631	506,121

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	51,207	43,583	-	-	51,207	43,583
Work in process	54,179	49,213	-	-	54,179	49,213
Clinker	130,731	69,144	(2,000)	(2,000)	128,731	67,144
Raw materials	166,559	189,722	(4,005)	(4,005)	162,554	185,717
Spare parts and supplies	277,851	285,504	(135,472)	(140,013)	142,379	145,491
Goods in transit	2,522	12,174	-	-	2,522	12,174
Total	683,049	649,340	(141,477)	(146,018)	541,572	503,322

During the current year, the Company reversed the write-down of cost of inventories by Baht 5 million and reduced the amount of inventories recognised as expenses during the year.

During 2015, the Company reduced cost of inventories by Baht 4 million to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 9 million and reduced the amount of inventories recognised as expenses during the year.

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

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
			(%)	(%)				
Jalaprathan Concrete Co., Ltd.	280,000	280,000	99.99	99.99	279,981	279,981	37,797	47,597
Naga Property Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000	-	-
Total					379,981	379,981	37,797	47,597
Less: Allowance for impairment loss of investments					(93,739)	(93,739)		
Investments in subsidiaries - net					<u>286,242</u>	<u>286,242</u>		

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

(Unit: Thousand Baht)

Consolidated financial statements

	Assets used in the operations						Unused assets but not classified as held for sale					Total
	Revaluation basis	Cost basis					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	
Cost/revalued amount:												
As at 1 January 2015	1,250,834	45,620	853,332	3,754,309	27,144	178,337	167,015	275,469	1,261,535	109,131	76,440	7,999,166
Additions	-	-	-	1,224	282	-	148,984	-	-	-	-	150,490
Disposals/write-off	-	-	(3,639)	(36,563)	(790)	(55,996)	(154)	-	(537)	-	-	(97,679)
Transfer between accounts	-	-	21,912	62,795	3,853	4,187	(92,747)	-	-	-	-	-
Transfer to assets used in the operations	-	-	-	1,123	-	17,204	-	-	-	(17,204)	(1,123)	-
As at 31 December 2015	1,250,834	45,620	871,605	3,782,888	30,489	143,732	223,098	275,469	1,260,998	91,927	75,317	8,051,977
Additions	-	-	-	1,562	64	-	148,361	-	-	-	-	149,987
Disposals/write-off	-	-	-	(1,200)	-	(1,534)	(803)	-	-	-	-	(3,537)
Transfer between accounts	(248)	248	50,380	144,198	6,645	1,627	(202,850)	-	-	-	-	-
Transfer to assets used in the operations	-	-	-	32,075	-	-	-	-	-	-	(32,075)	-
As at 31 December 2016	1,250,586	45,868	921,985	3,959,523	37,198	143,825	167,806	275,469	1,260,998	91,927	43,242	8,198,427
Accumulated depreciation:												
As at 1 January 2015	-	6,489	696,996	3,085,011	20,521	158,979	-	151,709	643,221	102,791	-	4,865,717
Depreciation for the year	-	57	23,358	137,650	1,943	5,101	-	-	-	-	-	168,109
Depreciation on disposals/write-off	-	-	(3,096)	(33,556)	(789)	(55,331)	-	-	(537)	-	-	(93,309)
Transfer to assets used in the operations	-	-	-	-	-	16,539	-	-	-	(16,539)	-	-
As at 31 December 2015	-	6,546	717,258	3,189,105	21,675	125,288	-	151,709	642,684	86,252	-	4,940,517
Depreciation for the year	-	138	24,289	142,462	3,352	6,695	-	-	-	-	-	176,936
Depreciation on disposals/write-off	-	-	-	(608)	-	(1,534)	-	-	-	-	-	(2,142)
As at 31 December 2016	-	6,684	741,547	3,330,959	25,027	130,449	-	151,709	642,684	86,252	-	5,115,311

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Assets used in the operations							Unused assets but not classified as held for sale				Total
	Revaluation basis	Cost basis						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	
Allowance for impairment loss:												
As at 1 January 2015	5,340	-	-	-	-	-	114	123,760	618,314	6,340	76,440	830,308
Transfer to assets used in the operations	-	-	-	-	-	665	-	-	-	(665)	-	-
Decrease during the year	-	-	-	-	-	-	-	-	-	-	(1,123)	(1,123)
As at 31 December 2015	5,340	-	-	-	-	665	114	123,760	618,314	5,675	75,317	829,185
Decrease during the year	-	-	-	-	-	(655)	-	-	-	-	(32,075)	(32,740)
As at 31 December 2016	5,340	-	-	-	-	-	114	123,760	618,314	5,675	43,242	796,445
Net book value:												
As at 31 December 2015	1,245,494	39,074	154,347	593,783	8,814	17,779	222,984	-	-	-	-	2,282,275
As at 31 December 2016	1,245,246	39,184	180,438	628,564	12,171	13,376	167,692	-	-	-	-	2,286,671
Depreciation for the year												
2015 (Baht 168.10 million included in manufacturing cost and the balance in administrative expenses)												168,109
2016 (Baht 176.62 million included in manufacturing cost and the balance in administrative expenses)												176,936

(Unit: Thousand Baht)

Separate financial statements

	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
Cost/revalued amount:												
As at 1 January 2015	1,250,834	45,620	815,868	3,577,781	20,837	177,518	154,243	275,469	1,261,535	109,131	76,440	7,765,276
Additions	-	-	-	1,224	282	-	133,378	-	-	-	-	134,884
Disposals/write-off	-	-	(2,886)	(35,015)	(787)	(55,996)	-	-	(537)	-	-	(95,221)
Transfer between accounts	-	-	11,158	58,608	2,008	4,187	(75,961)	-	-	-	-	-
Transfer to assets used in the operations	-	-	-	1,123	-	17,204	-	-	-	(17,204)	(1,123)	-
As at 31 December 2015	1,250,834	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
Accumulated depreciation:												
As at 1 January 2015	-	6,489	666,722	2,923,862	18,346	158,160	-	151,709	643,221	102,791	-	4,671,300
Depreciation for the year	-	57	19,597	132,623	915	5,101	-	-	-	-	-	158,293
Depreciation on disposals /write-off	-	-	(2,379)	(32,048)	(786)	(55,331)	-	-	(537)	-	-	(91,081)
Reverse allowance for impairment loss	-	-	-	-	-	16,539	-	-	-	(16,539)	-	-
At 31 December 2015	-	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)
As at 31 December 2016	-	6,684	703,801	3,161,994	20,150	130,154	-	151,709	642,684	86,252	-	4,903,428

(Unit: Thousand Baht)

Separate financial statements (continued)

	Assets used in the operations						Unused assets but not classified as held for sale					Total	
	Revaluation basis	Cost basis						Cost basis					
		Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles		Construction in progress
Allowance for impairment loss:													
As at 1 January 2015	5,340	-	-	-	-	-	114	123,760	618,314	6,340	76,440	830,308	
Transfer to assets used in the operations	-	-	-	-	-	665	-	-	-	(665)	-	-	
Decrease during the year	-	-	-	-	-	-	-	-	-	-	(1,123)	(1,123)	
As at 31 December 2015	5,340	-	-	-	-	665	114	123,760	618,314	5,675	75,317	829,185	
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	
Net book value:													
As at 31 December 2015	1,245,494	39,074	140,200	579,284	3,865	17,779	211,546	-	-	-	-	2,237,242	
As at 31 December 2016	1,245,246	39,184	166,867	613,819	4,829	13,376	165,013	-	-	-	-	2,248,334	
Depreciation for the year													
2015 (Baht 158.29 million included in manufacturing cost, and the balance in administrative expenses)												158,293	
2016 (Baht 165.91 million included in manufacturing cost, and the balance in administrative expenses)												165,926	

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

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Original cost	59,186	59,186
Surplus from revaluation	1,191,648	1,191,648
Less: Transfer to quarries cost	(248)	-
Revalued amount	<u>1,250,586</u>	<u>1,250,834</u>
Less: Allowance for impairment loss	<u>(5,340)</u>	<u>(5,340)</u>
Net book value	<u><u>1,245,246</u></u>	<u><u>1,245,494</u></u>

As at 31 December 2016, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,594 million (2015: Baht 2,512 million) (Separate financial statements: Baht 2,448 million (2015: Baht 2,376 million)).

13. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	3,019	8,836	-	-
Write-off of non-refundable withholding tax deducted at source	<u>38</u>	<u>33</u>	<u>36</u>	<u>32</u>
Total	<u>3,057</u>	<u>8,869</u>	<u>36</u>	<u>32</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(28,267)</u>	<u>(13,974)</u>	<u>(27,091)</u>	<u>(25,285)</u>
Total	<u>(28,267)</u>	<u>(13,974)</u>	<u>(27,091)</u>	<u>(25,285)</u>
Income tax income reported in the statement of comprehensive income	<u><u>(25,210)</u></u>	<u><u>(5,105)</u></u>	<u><u>(27,055)</u></u>	<u><u>(25,253)</u></u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax on actuarial losses arising from post-employment benefits	(701)	1,369	(360)	1,018
	<u>(701)</u>	<u>1,369</u>	<u>(360)</u>	<u>1,018</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	140,024	366,102	168,696	313,074
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiply by income tax rate	28,005	73,220	33,739	62,615
Utilisation of previously unrecognised deferred tax assets				
- Tax losses	(5)	(10,867)	-	(10,859)
- Allowance for diminution in value loss of inventories	(5,380)	(1,334)	(5,380)	(1,334)
- Allowance for impairment loss of assets	(69,204)	(14,844)	(69,204)	(14,844)
Previous year tax losses which were recognised as deferred tax assets during the year	-	(51,210)	-	(51,210)
Tax effect of non-deductible expenses	4,061	(103)	(3,521)	(9,653)
Tax effect of reversal tax losses expired	17,275	-	17,275	-
Write-off of non-refundable withholding tax deducted at source	38	33	36	32
Income tax income reported in the statement of comprehensive income	<u>(25,210)</u>	<u>(5,105)</u>	<u>(27,055)</u>	<u>(25,253)</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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Allowance for doubtful accounts	23,431	18,124	4,895	4,927
Allowance for diminution in value of inventories	141,477	119,117	141,477	119,117
Allowance for impairment loss of assets	242,331	860	242,331	860
Provision for quarry restoration costs	13,800	3,970	13,800	3,970
Provision for long-term employee benefits	62,128	62,863	34,162	33,729
Tax losses	117,911	256,049	117,911	256,049
Loss of asset damage from fire accident	-	2,629	-	2,629
	<u>601,078</u>	<u>463,612</u>	<u>554,576</u>	<u>421,281</u>
Application tax rates	20%	20%	20%	20%
Deferred tax assets	<u>120,216</u>	<u>92,722</u>	<u>110,915</u>	<u>84,256</u>
Deferred tax liabilities				
Depreciation from changing useful lives of assets	(8,975)	(9,338)	(8,975)	(9,338)
Surplus from revaluation of land	(1,191,648)	(1,191,648)	(1,191,648)	(1,191,648)
	<u>(1,200,623)</u>	<u>(1,200,986)</u>	<u>(1,200,623)</u>	<u>(1,200,986)</u>
Applicable tax rates	20%	20%	20%	20%
Deferred tax liabilities	<u>(240,125)</u>	<u>(240,197)</u>	<u>(240,125)</u>	<u>(240,197)</u>

13.5 As at 31 December 2016, the Company and its subsidiaries have deductible temporary differences totalling Baht 93 million (2015: deductible temporary differences and unused tax losses totalling Baht 507 million) (Separate financial statements: Baht 93 million (2015: Baht 462 million)). No deferred tax assets have been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
31 December 2016	-	183	-	138
31 December 2017	118	118	118	118
	<u>118</u>	<u>301</u>	<u>118</u>	<u>256</u>

14. Short-term loans from financial institution

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

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties	115,899	138,425	89,287	111,996
Trade payables - unrelated parties	412,481	296,970	331,858	236,667
Other payables - related parties	96,714	76,024	24,529	17,947
Other payables - unrelated parties	137,412	135,995	122,310	109,935
Advance received from customers	4,637	4,149	1,499	1,764
Accrued expenses	47,298	42,148	34,915	29,146
Total trade and other payables	814,441	693,711	604,398	507,455

16. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Provision for long-term employee benefits				
at beginning of year	62,863	52,671	33,729	27,200
Included in profit or loss:				
Current service cost	2,823	2,224	1,616	1,082
Interest cost	1,818	1,580	988	816
Effect of transferred employees	883	-	883	-
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	1,786	-	911	-
Experience adjustments	(5,289)	6,846	(2,713)	5,089
Benefits paid during the year	(2,756)	(458)	(1,252)	(458)
Provision for long-term employee benefits				
at end of year	62,128	62,863	34,162	33,729

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of sales	3,488	1,898	3,487	1,898
Selling and administrative expenses	2,036	1,907	-	-
Total expenses recognised in profit or loss	5,524	3,805	3,487	1,898

The Company and its subsidiaries expect to pay Baht 2 million of long-term employee benefits during the next year (Separate financial statements: Baht 2 million) (2015: Baht 3 million (Separate financial statements: Baht 1 million)).

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

Significant actuarial assumptions are summarised below:

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Discount rate	(61)	64	(33)	35
Salary increase rate	64	(61)	35	(33)

17. Statutory reserve

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

18. Other reserve

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

19. Other components of shareholders' equity

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

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	145,222	145,697	114,981	112,461
Depreciation	176,935	168,109	165,926	158,292
Allowance for doubtful accounts (reversal)/ written off bad debts	5,439	9,571	(32)	164
Rental expenses from operating lease agreements	18,725	17,319	4,829	4,410
Transportation expenses	60,878	67,096	-	-
Management fee	81,306	76,694	66,284	60,473
Repair and maintenance expenses	162,292	154,100	158,771	144,321
Raw materials used, consumables used and purchase of goods	1,148,645	1,299,022	787,558	923,410
Changes in inventories of finished goods, work in process and clinker	62,639	59,868	62,639	59,868

21. Basic earnings per share

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

22. Segment information

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

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

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

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

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

For the years 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

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

(Unit: Million Baht)

	Consolidated financial statements							
	Cement segment		Ready-mixed concrete segment		Elimination of inter-segment revenues		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	2,061	2,344	580	623	-	-	2,641	2,967
Inter-segment revenues	19	34	-	-	(19)	(34)	-	-
Interest income	1	1	5	4	(2)	(3)	4	2
Other income	70	76	3	35	(38)	20	35	131
Total revenues	2,151	2,455	588	662	(59)	(17)	2,680	3,100
Cost of sales	1,757	1,888	529	576	(19)	(34)	2,267	2,430
Administrative expenses	40	68	32	32	-	(1)	72	99
Depreciation	166	158	11	10	-	-	177	168
Allowance for doubtful accounts	-	-	5	9	-	-	5	9
Total expenses	1,963	2,114	577	627	(19)	(35)	2,521	2,706
Profit before finance cost and income tax expenses	188	341	11	35	(40)	18	159	394
Finance cost	(19)	(28)	(2)	(2)	2	2	(19)	(28)
Income tax income (expenses)	27	25	(2)	(7)	-	(13)	25	5
Profit for the year	196	338	7	26	(38)	7	165	371

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and its employees contributed to the fund monthly at the rate of 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 2016 amounting to approximately Baht 7 million (2015: Baht 6 million) were recognised as expenses.

24. Commitments and contingent liabilities

24.1 Operating lease commitments

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	11	9	4	3
In over 1 and up to 5 year	10	9	6	4

24.2 Long-term service agreements commitments

- a) The Company and its subsidiaries have entered into agreements relation to the concrete transportation, packing cement and other related services. The Company and its subsidiaries are committed to pay service fees calculated from quantities and distance multiplied by the rate specified in the agreements.
- b) The subsidiary has entered into services agreement relation to service of manage batching plants, quality control, marketing and sales. The subsidiary is committed to pay service fees charged at a rate of yearly turnover as specified in the agreement. Such agreement holds for a period of ten years effective from 1 January 2005, and if no notice from party of the contract the agreement will automatically be extended by successive period of one year.
- c) The subsidiary has entered into service agreement relation to computer advisory and training services. The subsidiary is committed to pay service fees at the rate specified in the agreement.
- d) The Company and its subsidiaries have entered into others services agreements, mostly relating to the provision of repair and maintenance of machines and equipment. As at 31 December 2016 and 2015, there were commitments to be payable under those agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	15	42	14	38
In over 1 and up to 5 years	-	14	-	13

24.3 Purchase of raw materials commitment

As at 31 December 2016, the Company has entered into the agreements amounting to Baht 245 million (2015: Baht 232 million) regarding to purchase of raw materials in the future. In addition, the Company and its subsidiaries have 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.

24.4 Bank guarantees

The Company and its subsidiaries have outstanding bank guarantees as at 31 December 2016 and 2015 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Guarantee electricity use	45	45	43	43
Other guarantees	2	1	2	1

25. Fair value hierarchy

As at 31 December 2016, the Company had the assets that were measured at fair value using level 3 of inputs as follows:

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

26. Financial instruments

26.1 Financial risk management policies

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

Credit risk

The Company and its subsidiaries' exposed to credit risk primarily with respect to trade and other receivables and borrowing. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations 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 borrowing as stated in the statement of financial position.

Interest rate risk

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

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

(Unit: Million Baht)

	Consolidated financial statements				Total	Effective interest rate (% p.a.)
	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		
Financial assets						
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
	<u>223</u>	<u>7</u>	<u>209</u>	<u>566</u>	<u>1,005</u>	
Financial liabilities						
Trade and other payables	-	-	-	814	814	-
Long-term loans from related parties	-	-	270	-	270	1.93
	<u>-</u>	<u>-</u>	<u>270</u>	<u>814</u>	<u>1,084</u>	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
	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.)
Financial assets						
Cash and cash equivalent	185	-	192	30	407	0.37 - 1.28
Trade and other receivables	-	-	-	610	610	-
Long-term loans to non-related parties	3	10	-	-	13	2.00
	<u>188</u>	<u>10</u>	<u>192</u>	<u>640</u>	<u>1,030</u>	
Financial liabilities						
Short-term loans from financial institution	130	-	-	-	130	2.40
Trade and other payables	-	-	-	694	694	-
Long-term loans from related parties	-	-	380	-	380	1.93
	<u>130</u>	<u>-</u>	<u>380</u>	<u>694</u>	<u>1,204</u>	

(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.)
Financial assets						
Cash and cash equivalent	-	-	168	37	205	0.37 - 0.38
Trade and other receivables	-	-	-	374	374	-
Investment in subsidiaries	-	-	-	286	286	-
	<u>-</u>	<u>-</u>	<u>168</u>	<u>697</u>	<u>865</u>	
Financial liabilities						
Trade and other payables	-	-	-	604	604	-
Long-term loans from related parties	-	-	329	-	329	1.93 - 3.47
	<u>-</u>	<u>-</u>	<u>329</u>	<u>604</u>	<u>933</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2015						
	Fixed interest		Floating interest	Non-interest bearing	Total	Effective interest rate
	Fixed interest rates within 1 year	more than 1-5 year	interest rate			(% p.a.)
Financial assets						
Cash and cash equivalent	-	-	137	30	167	0.37 - 0.38
Trade and other receivables	-	-	-	424	424	-
Investment in subsidiaries	-	-	-	286	286	-
	-	-	137	740	877	
Financial liabilities						
Short-term loans from financial institution	130	-	-	-	130	2.40
Trade and other payables	-	-	-	507	507	-
Long-term loans from related parties	-	-	439	-	439	1.93 - 3.47
	130	-	439	507	1,076	

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		Selling exchange rate	
	as at 31 December		as at 31 December	
	2016	2015	2016	2015
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Euro	0.07	0.2	38.1362	39.7995

26.2 Fair values of financial instruments

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

27. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.55:1 (2015: 0.63:1) and the Company's was 0.48:1 (2015: 0.58:1).

28. Approval of financial statements

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

ปูนดอกบัว



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