

Thai Steel Cable Public Company Limited
Report and financial statements
30 September 2016

Independent Auditor's Report

To the Shareholders of Thai Steel Cable Public Company Limited

I have audited the accompanying financial statements of Thai Steel Cable Public Company Limited, which comprise the statement of financial position as at 30 September 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Steel Cable Public Company Limited as at 30 September 2016, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 22 November 2016

Thai Steel Cable Public Company Limited**Statement of financial position****As at 30 September 2016**

		(Unit: Baht)	
	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	7.1	506,856,901	648,179,430
Current investments	7.2	200,502,565	101,681
Trade and other receivables	8	488,318,415	479,462,536
Inventories	9	235,965,414	243,031,997
Other current assets		8,815,339	6,865,668
Total current assets		1,440,458,634	1,377,641,312
Non-current assets			
Long-term investment	10	25,704,000	25,704,000
Investment properties	11	129,315,735	131,478,984
Property, plant and equipment	12	1,104,011,855	1,181,633,750
Intangible assets	13	25,613,985	28,538,750
Deferred tax assets	22	12,854,924	9,863,742
Other non-current assets		13,035,628	35,672,386
Total non-current assets		1,310,536,127	1,412,891,612
Total assets		2,750,994,761	2,790,532,924

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

Thai Steel Cable Public Company Limited
Statement of financial position (continued)
As at 30 September 2016

		(Unit: Baht)	
	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from banks	14	300,000,000	500,000,000
Trade and other payables	15	551,099,823	552,142,822
Current portion of long-term loan from bank	16	64,920,000	-
Current portion of finance lease payables	17	4,075,307	4,444,028
Other current liabilities		11,496,184	17,637,018
Total current liabilities		931,591,314	1,074,223,868
Non-current liabilities			
Long-term loan from bank - net of current portion	16	113,440,000	-
Finance lease payables - net of current portion	17	8,837,804	11,496,899
Provision for long-term employee benefits	18	45,883,951	38,056,250
Provisions	19	12,535,702	16,631,627
Other non-current liabilities		101,456	136,456
Total non-current liabilities		180,798,913	66,321,232
Total liabilities		1,112,390,227	1,140,545,100
Shareholders' equity			
Share capital			
Registered			
268,500,000 ordinary shares of Baht 1 each		268,500,000	268,500,000
Issued and paid-up			
259,800,000 ordinary shares of Baht 1 each		259,800,000	259,800,000
Share premium		464,870,185	464,870,185
Retained earnings			
Appropriated - statutory reserve	20	26,850,000	26,850,000
Unappropriated		887,084,349	898,467,639
Total shareholders' equity		1,638,604,534	1,649,987,824
Total liabilities and shareholders' equity		2,750,994,761	2,790,532,924
		-	-

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

Directors

Thai Steel Cable Public Company Limited
Statement of comprehensive income
For the year ended 30 September 2016

		(Unit: Baht)	
	Note	2016	2015
Profit or loss:			
Revenues			
Sales	23	2,724,168,855	2,828,120,158
Other income		32,571,263	37,399,883
Total revenues		<u>2,756,740,118</u>	<u>2,865,520,041</u>
Expenses			
Cost of sales		2,251,532,605	2,321,212,601
Selling expenses		68,296,433	81,272,142
Administrative expenses		275,016,872	301,237,360
Total expenses		<u>2,594,845,910</u>	<u>2,703,722,103</u>
Profit before finance cost and income tax expenses		161,894,208	161,797,938
Finance cost		(16,795,985)	(15,997,121)
Profit before income tax expenses		145,098,223	145,800,817
Income tax expenses	22	(7,902,686)	(1,357,099)
Profit for the year		<u>137,195,537</u>	<u>144,443,718</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax		(5,688,827)	-
Total comprehensive income for the year		<u>131,506,710</u>	<u>144,443,718</u>
Earnings per share			
24			
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.53</u>	<u>0.56</u>
Weighted average number of ordinary shares (shares)		<u>259,800,000</u>	<u>259,800,000</u>

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

Thai Steel Cable Public Company Limited**Cash flows statement****For the year ended 30 September 2016**

	(Unit: Baht)	
	2016	2015
Cash flows from operating activities		
Profit before tax	145,098,223	145,800,817
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	156,247,288	150,510,329
Allowance for doubtful accounts (reversal)	(678,283)	1,604,147
Reduction of inventory to net realisable value	596,518	951,005
Gain on disposal/write-off of equipment	(4,826,059)	(4,468,260)
Provisions (reversal)	(3,209,474)	1,479,630
Provision for long-term employee benefits	10,628,696	4,435,379
Unrealised gain on exchange	(1,613,262)	(1,050,114)
Interest income	(1,260,941)	(1,055,328)
Interest expenses	16,795,985	15,997,121
Profit from operating activities before changes in operating assets and liabilities	317,778,691	314,204,726
Operating assets (increase) decrease		
Trade and other receivables	(6,603,664)	14,289,664
Inventories	6,470,065	75,933,214
Other current assets	(1,949,671)	(256,294)
Other non-current assets	(14,963,972)	(31,463,172)
Operating liabilities increase (decrease)		
Trade and other payables	3,678,137	22,494,660
Other current liabilities	(4,625,594)	7,560,807
Other non-current liabilities	(921,450)	(767,838)
Cash flows from operating activities	298,862,542	401,995,767
Cash paid for long-term employee benefits	(8,852,939)	(2,392,515)
Cash paid for interest expenses	(16,809,914)	(15,994,763)
Cash paid for income tax	(12,045,992)	(1,524,766)
Net cash flows from operating activities	261,153,697	382,083,723

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

Thai Steel Cable Public Company Limited**Cash flows statement (continued)****For the year ended 30 September 2016**

	(Unit: Baht)	
	2016	2015
Cash flows from investing activities		
Increase in current investments	(200,400,884)	(1,030)
Cash paid for purchase of property, plant and equipment	(44,129,393)	(62,389,503)
Cash paid for purchase of intangible assets	(4,882,070)	(3,777,549)
Proceeds from sales of equipment	14,965,196	25,849,040
Interest income	1,260,941	1,055,328
Net cash flows used in investing activities	(233,186,210)	(39,263,714)
Cash flows from financing activities		
Increase (decrease) in short-term loans from banks	(200,000,000)	100,000,000
Cash received from long-term loan	200,000,000	-
Repayment of long-term loan	(21,640,000)	(18,750,000)
Repayment of finance lease payables	(4,760,016)	(6,792,137)
Dividend paid	(142,890,000)	(181,859,920)
Net cash flows used in financing activities	(169,290,016)	(107,402,057)
Net increase (decrease) in cash and cash equivalents	(141,322,529)	235,417,952
Cash and cash equivalents at beginning of year	648,179,430	412,761,478
Cash and cash equivalents at end of year (Note 7)	506,856,901	648,179,430
	-	-
Non-cash items		
Decrease in other payables from purchase of equipment	4,667,877	482,719
Purchases of equipment under finance lease agreements	1,498,000	7,840,602
Purchases of intangible assets under finance lease agreements	234,200	8,299,254
Transfer equipment to intangible assets	-	5,526,000
Transfer non-current asset to equipment	37,600,731	48,921,409

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

Thai Steel Cable Public Company Limited

Statement of changes in shareholders' equity

For the year ended 30 September 2016

(Unit: Baht)

	Issued and paid-up		Retained earnings		Total shareholders' equity
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 October 2014	259,800,000	464,870,185	26,850,000	935,883,841	1,687,404,026
Profit for the year	-	-	-	144,443,718	144,443,718
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	144,443,718	144,443,718
Dividend paid (Note 27)	-	-	-	(181,859,920)	(181,859,920)
Balance as at 30 September 2015	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>898,467,639</u>	<u>1,649,987,824</u>
Balance as at 1 October 2015	259,800,000	464,870,185	26,850,000	898,467,639	1,649,987,824
Profit for the year	-	-	-	137,195,537	137,195,537
Other comprehensive income for the year	-	-	-	(5,688,827)	(5,688,827)
Total comprehensive income for the year	-	-	-	131,506,710	131,506,710
Dividend paid (Note 27)	-	-	-	(142,890,000)	(142,890,000)
Balance as at 30 September 2016	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>887,084,349</u>	<u>1,638,604,534</u>
	-	-	-	-	-
	-	-	-	-	-

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

Thai Steel Cable Public Company Limited

Notes to financial statements

For the year ended 30 September 2016

1. General information

Thai Steel Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. The registered office of the Company is at Amatanakorn Industrial Estate 700/737, Moo 1, Tambol Panthong, Amphur Panthong, Chonburi.

2. Basis of preparation

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.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. 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’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognises actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company'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 the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is 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. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is 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.

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investment

Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).

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

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 40 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Land improvement	-	20 years
Building	-	20, 40 years
Building improvement	-	5 - 20 years
Machinery and equipment	-	3 - 20 years
Tools	-	3 - 10 years
Molds	-	3 - 10 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 assets under installation and construction.

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.

4.8 Intangible assets

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

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

	<u>Useful lives</u>
Computer software	3 - 10 years

4.9 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.

4.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of 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.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's 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.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and 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.

An impairment loss is recognised in profit or loss.

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.

4.13 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 and other long-term employee benefit

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 plan and other long-term employee benefit

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other long-term employee benefit plan, namely long service awards. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan and other long-term employee 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 in other comprehensive income and actuarial gains and losses arising from other long-term benefit are recognised in profit and loss.

4.14 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.

4.15 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 the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it 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 each reporting date, 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 shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 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 applies 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 measures 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 determines 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 judgements and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts 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 plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement 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.

Post-employment benefits under defined benefit plans and other long-term employee benefit

The obligation under the defined benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation, which is in the process of execute to file in the court. This requires judgements from management to assess of the results of the litigation.

6. Related party transactions

During the years, the Company 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 and those related parties.

(Unit: Million Baht)

	2016	2015	Transfer Pricing Policy
<u>Transactions with related companies</u>			
Sales of goods	241	189	Cost plus margin
Purchases of raw materials and finished goods	418	404	Cost plus margin
Purchases of assets	1	1	Agreed upon basis
Royalty fee	37	44	2.0% on the net sales amount

As at 30 September 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Trade and other receivables - related parties (Note 8)		
<u>Trade receivables - related parties</u>		
Related companies	42,582	40,415
<u>Other receivables - related parties</u>		
Related companies	108	94
Trade and other payables - related parties (Note 15)		
<u>Trade payables - related parties</u>		
Related companies	70,027	74,007
<u>Other payables - related parties</u>		
Related companies	619	462
<u>Accrued royalty - related party</u>		
Related company	9,600	11,037
 <u>Directors and management's benefits</u>		

During the years ended 30 September 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2016	2015
Short-term employee benefits	69,807	92,449
Post-employee benefits	3,577	2,546
Total	73,384	94,995

7. Cash and cash equivalents and current investments

7.1 Cash and cash equivalents

	(Unit: Thousand Baht)	
	2016	2015
Cash	325	316
Bank deposits	506,532	647,863
Total	506,857	648,179

As at 30 September 2016, bank deposits in saving accounts carried interests between 0.05 and 0.50 percent per annum (2015: between 0.05 and 0.375 percent per annum).

7.2 Current investments

These represent fixed deposits with banks with an original maturity of more than three months and not subject to withdrawal restrictions.

8. Trade and other receivables

	(Unit: Thousand Baht)	
	2016	2015
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	42,270	40,415
Past due up to 3 months	312	-
Total trade receivables - related parties	<u>42,582</u>	<u>40,415</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	416,154	403,368
Past due		
Up to 3 months	217	4,248
3 - 6 months	5	-
Over 12 months	13,935	14,613
Total	430,311	422,229
Less: Allowance for doubtful debts	(13,935)	(14,613)
Total trade receivables - unrelated parties - net	<u>416,376</u>	<u>407,616</u>
Total trade receivables - net	<u>458,958</u>	<u>448,031</u>
<u>Other receivables</u>		
Other receivables - related parties	108	94
Other receivables - unrelated parties	56,165	58,251
Total	56,273	58,345
Less: Allowance for doubtful debts	(26,913)	(26,913)
Total other receivables - net	<u>29,360</u>	<u>31,432</u>
Total trade and other receivables - net	<u><u>488,318</u></u>	<u><u>479,463</u></u>

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	65,318	72,425	(2,572)	(1,302)	62,746	71,123
Work in process	30,373	37,499	(46)	(163)	30,327	37,336
Raw materials	122,708	119,218	(1,126)	(1,683)	121,582	117,535
Goods in transit	13,272	8,233	-	-	13,272	8,233
Spare parts	8,038	8,805	-	-	8,038	8,805
Total	<u>239,709</u>	<u>246,180</u>	<u>(3,744)</u>	<u>(3,148)</u>	<u>235,965</u>	<u>243,032</u>

10. Long-term investment

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost	
			2016	2015	2016	2015	2016	2015
					(%)	(%)		
Hi-Lex Vietnam Co., Ltd.	Manufacture automobile parts	Vietnam	USD 11,150,000	USD 11,150,000	6.28	6.28	<u>25,704</u>	<u>25,704</u>

11. Investment properties

The net book value of investment properties of the Company as at 30 September 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Total
30 September 2016:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(121,995)	(126,071)
Net book value	<u>89,434</u>	<u>39,882</u>	<u>129,316</u>
30 September 2015:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(119,832)	(123,908)
Net book value	<u>89,434</u>	<u>42,045</u>	<u>131,479</u>

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Net book value at beginning of year	131,479	133,673
Depreciation	(2,163)	(2,194)
Net book value at end of year	<u>129,316</u>	<u>131,479</u>

The fair value of the investment properties as at 30 September 2016 and 2015 stated below:

(Unit: Thousand Baht)

	2016	2015
Land	264,000	264,000
Buildings	82,400	82,400
Total	<u>346,400</u>	<u>346,400</u>

The fair value of the investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land has been determined based on market prices, while that of the buildings has been determined using the replacement cost approach.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Machinery, equipment and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Asset under installation and construction	Total
Cost							
1 October 2014	140,922	567,322	1,083,345	31,349	100,255	95,920	2,019,113
Additions	1,475	1,855	2,137	405	1,717	62,158	69,747
Disposals/write-off	-	-	(108,801)	-	(5,764)	(45)	(114,610)
Transfers in (out)	584	5,552	170,865	4,863	1,510	(139,978)	43,396
30 September 2015	142,981	574,729	1,147,546	36,617	97,718	18,055	2,017,646
Additions	-	480	1,216	-	3,511	35,752	40,959
Disposals/write-off	-	-	(17,307)	(16,109)	(1,152)	(108)	(34,676)
Transfers in (out)	-	649	77,200	-	799	(41,048)	37,600
30 September 2016	142,981	575,858	1,208,655	20,508	100,876	12,651	2,061,529
Accumulated depreciation							
1 October 2014	27	128,414	570,924	25,961	65,605	-	790,931
Depreciation for the year	36	15,718	106,242	4,131	12,183	-	138,310
Depreciation on disposals/ write-off	-	-	(87,699)	-	(5,530)	-	(93,229)
30 September 2015	63	144,132	589,467	30,092	72,258	-	836,012
Depreciation for the year	36	15,973	116,296	2,820	10,918	-	146,043
Depreciation on disposals/ write-off	-	-	(7,837)	(15,631)	(1,070)	-	(24,538)
30 September 2016	99	160,105	697,926	17,281	82,106	-	957,517
Net book value							
30 September 2015	142,918	430,597	558,079	6,525	25,460	18,055	1,181,634
30 September 2016	142,882	415,753	510,729	3,227	18,770	12,651	1,104,012
Depreciation for the year							
2015 (Baht 123 million included in cost of sales, and the balance in selling and administrative expenses)							138,310
2016 (Baht 132 million included in cost of sales, and the balance in selling and administrative expenses)							146,043

As at 30 September 2016, the Company had equipment with net book values of Baht 8 million (2015: Baht 9 million) which were acquired under finance lease agreements.

As at 30 September 2016, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 360 million (2015: Baht 288 million).

13. Intangible assets

The net book value of intangible assets as at 30 September 2016 and 2015 is presented below.

	(Unit: Thousand Baht)		
	Computer software	Computer software under installation	Total
As at 30 September 2016:			
Cost	73,246	3,741	76,987
Less: Accumulated amortisation	(51,373)	-	(51,373)
Net book value	<u>21,873</u>	<u>3,741</u>	<u>25,614</u>
As at 30 September 2015:			
Cost	71,871	-	71,871
Less: Accumulated amortisation	(43,332)	-	(43,332)
Net book value	<u>28,539</u>	<u>-</u>	<u>28,539</u>

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	2016	2015
Net book value at beginning of year	28,539	20,943
Additions	5,116	12,077
Transferred in - at a net book value	-	5,526
Amortisation	(8,041)	(10,007)
Net book value at end of year	<u>25,614</u>	<u>28,539</u>

As at 30 September 2016, the Company had intangible assets with net book values of Baht 6 million (2015: Baht 8 million) which were acquired under finance lease agreements.

14. Short-term loans from banks

	(Unit: Thousand Baht)		
	Interest rate (% per annum)	2016	2015
Promissory notes	MMR	<u>300,000</u>	<u>500,000</u>

The short-term loans from banks are clean and denominated in Baht.

15. Trade and other payables

	(Unit: Thousand Baht)	
	2016	2015
Trade payables - related parties	70,027	74,007
Trade payables - unrelated parties	324,389	309,286
Other payables	35,426	38,212
Accrued expenses	121,258	130,638
Total	<u>551,100</u>	<u>552,143</u>

16. Long-term loan from bank

		(Unit: Thousand Baht)	
Interest rate (% per annum)	Repayment schedule	2016	2015
3.90	Payment of principal in monthly installments of Baht 5.41 million commencing in June 2016	178,360	-
Less: Current portion		(64,920)	-
Long-term loan from bank - net of current portion		<u>113,440</u>	<u>-</u>

Movements in the long-term loan from bank account during the year ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2015	-
Add: Additional borrowing	200,000
Less: Repayment	<u>(21,640)</u>
Balance as at 30 September 2016	<u>178,360</u>

The loan agreement contains several covenants which, among other things, requires the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement. The loan is clean.

17. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	2016	2015
Liabilities under finance lease agreements	14,296	17,990
Less: Deferred interest expenses	(1,383)	(2,049)
Total	12,913	15,941
Less: Portion due within one year	(4,075)	(4,444)
Liabilities under finance lease agreements - net of current portion	<u>8,838</u>	<u>11,497</u>

The Company has entered into the finance lease agreements with leasing companies for rental of equipment and intangible assets for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	As at 30 September 2016		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	4,756	9,540	14,296
Deferred interest expenses	(681)	(702)	(1,383)
Present value of future minimum lease payments	<u>4,075</u>	<u>8,838</u>	<u>12,913</u>

	(Unit: Thousand Baht)		
	As at 30 September 2015		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	5,266	12,724	17,990
Deferred interest expenses	(822)	(1,227)	(2,049)
Present value of future minimum lease payments	<u>4,444</u>	<u>11,497</u>	<u>15,941</u>

18. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Provision for employee retirement benefits	Provision for other long-term employee benefit	Total
Provision for long-term employee benefits			
as at 1 October 2014	34,466	1,547	36,013
Included in profit or loss:			
Current service cost	3,207	272	3,479
Interest cost	900	56	956
Benefit paid during the year	(975)	(1,417)	(2,392)
Provision for long-term employee benefits			
as at 30 September 2015	37,598	458	38,056
Included in profit or loss:			
Current service cost	5,357	2,981	8,338
Interest cost	1,683	608	2,291
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	3,595	-	3,595
Financial assumptions changes	2,011	-	2,011
Experience adjustments	446	-	446
Benefit paid during the year	(8,291)	(562)	(8,853)
Provision for long-term employee benefits			
as at 30 September 2016	42,399	3,485	45,884

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

(Unit: Thousand Baht)

	2016	2015
Cost of sales	7,855	2,681
Selling and administrative expenses	2,774	1,754
Total expenses recognised in profit or loss	10,629	4,435

The Company expects to pay Baht 8 million of long-term employee benefits during the next year (2015: Baht 9 million).

As at 30 September 2016, the weighted average duration of the liabilities for long-term employee benefit is 18 years (2015: 19 years).

Significant actuarial assumptions are summarised below:

	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	2.7	4.4
Salary increase rate	0.0 - 6.5	0.0 - 7.0
Employee turnover rate (depending on age of employees)	0.0 - 20.0	0.0 - 20.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 September 2016 are summarised below:

	(Unit: Thousand Baht)
	Increase (decrease)
Discount rate	
Increase by 1%	(4,653)
Decrease by 1%	5,621
Salary increase rate	
Increase by 1%	5,390
Decrease by 1%	(4,573)
Employees turnover rate	
Increase by 20% of base in each age	(5,278)
Decrease by 20% of base in each age	6,783

19. Provisions

These provisions are provisions for product warranty which have movements during the years ended 30 September 2016 and 2015 summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2014	15,901
Increase during the year	5,349
Utilised	(749)
Reversal of provisions	(3,869)
Balance as at 30 September 2015	<u>16,632</u>
Increase during the year	5,048
Utilised	(886)
Reversal of provisions	(8,258)
Balance as at 30 September 2016	<u><u>12,536</u></u>

Provisions for product warranty is recognised at a percentage of sales. The rate used in the calculation is based on historical data of actual expenses.

20. Statutory reserve

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

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Salaries and wages and other employee benefits	498,145	515,154
Depreciation	148,206	140,504
Amortisation	8,041	10,007
Loss on exchange	-	7,725
Warranty provisions	5,048	5,349
Rental expenses from operating lease agreements	13,272	17,702
Raw materials and consumables used	1,340,580	1,371,367
Changes in inventories of finished goods and work in process	14,233	9,390
Loss on reduction of inventories to net realisable value	596	951

22. Income tax

Income tax expenses for the years ended 30 September 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)	
	2016	2015
Current income tax:		
Current income tax charge	10,531	3,769
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,628)	(2,412)
Income tax expenses reported in the statement of comprehensive income	<u>7,903</u>	<u>1,357</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax relating to loss on actuarial	363	-

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

	(Unit: Thousand Baht)	
	2016	2015
Accounting profit before tax	145,098	145,801
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	29,020	29,160
Adjustment in respect of income tax of previous year	-	(2,336)
Effects of:		
Promotional privileges (Note 23)	(21,941)	(28,308)
Non-deductible expenses	1,319	1,204
Additional expense deductions allowed	(195)	(140)
Others	(300)	1,777
Total	(21,117)	(25,467)
Income tax expenses reported in the statement of comprehensive income	7,903	1,357

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

	(Unit: Thousand Baht)	
	As at 30 September 2016	As at 30 September 2015
Deferred tax assets		
Allowance for doubtful accounts	8,057	8,192
Allowance for diminution in value of inventories	225	94
Provision for long-term employee benefits	2,753	1,142
Warranty provisions	752	499
Accrued rebate	1,795	755
	13,582	10,682
Deferred tax liabilities		
Accumulated depreciation - investment properties	726	760
Others	1	58
	727	818
Net	12,855	9,864

23. Promotional privileges

The Company was granted investment promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. As at 30 September 2016, important tax privileges granted to the Company are summarised below.

	Investment promotion certificate no.	Exemption from import duty on machines	Exemption from corporate income tax for the periods	Commencing from
Manufacture of control cable of vehicles and window regulator of automobiles	1827(2)/2550	Expired	8 years	1 July 2007
Manufacture of control cable of vehicles and window regulator of automobiles	1715(2)/2555	Expired	7 years	28 February 2013
Manufacture of control cable of vehicles and window regulator of automobiles	1006(2)/2557	Expired	7 years	9 December 2013
Manufacture of control cable of vehicles and window regulator of automobiles	1539(2)/2557	Will expire on 28 October 2016	7 years	2 March 2016

The Company's operating revenues for the years ended 30 September 2016 and 2015, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2016	2015	2016	2015	2016	2015
Sales						
Domestic sales	1,793,946	2,305,064	748,748	369,557	2,542,694	2,674,621
Exports sales	37,852	37,654	143,623	115,845	181,475	153,499
Total sales	<u>1,831,798</u>	<u>2,342,718</u>	<u>892,371</u>	<u>485,402</u>	<u>2,724,169</u>	<u>2,828,120</u>

24. 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.

25. 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.

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Geographic information

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2016, the Company has revenues from three major customer groups in amount of Baht 549 million, Baht 499 million and Baht 383 million (2015: Baht 537 million, Baht 469 million and Baht 432 million, respectively).

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by AIA 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 8 million (2015: Baht 8 million) were recognised as expenses.

27. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for the year ended 30 September 2014	The Annual General Meeting of the Company's shareholders on 27 January 2015	129,900	0.50
Interim dividends for the year ended 30 September 2015	The Board of Directors Meeting of the Company on 12 May 2015	51,960	0.20
Total dividends for year 2015		181,860	0.70
Dividends for the year ended 30 September 2015	The Annual General Meeting of the Company's shareholders on 26 January 2016	77,940	0.30
Interim dividends for the year ended 30 September 2016	The Board of Directors Meeting of the Company on 10 May 2016	64,950	0.25
Total dividends for year 2016		142,890	0.55

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 30 September 2016, the Company had capital commitments of approximately Baht 11 million and USD 0.02 million (2015: Baht 14 million and USD 0.04 million), relating to the purchase of equipment.

28.2 Operating lease and service commitments

The Company has entered into several operating lease agreements in respect of the lease of vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

The Company had future minimum lease and service payments required under these non-cancellable operating leases and service agreements as follows.

	(Unit: Million Baht)	
Payable:	2016	2015
In up to 1 year	38	38
In over 1 and up to 5 years	10	36

28.3 Long-term service commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the license agreement, the Company is to pay the fee twice a year as stipulated in the agreement. The fees for the year ended 30 September 2016 amounting to approximately Baht 37 million (2015: Baht 44 million) were recognised as expenses.

28.4 Guarantees

As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 3 million (2015: Baht 3 million and USD 0.04 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

28.5 Litigation

Thai Customs conducted a post clearance audit at the Company, accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 and 2006, and assessed duty and VAT shortfalls amounting to Baht 17.9 million. In October 2016, the Company is in the process of file an appeal with the Central Tax Court. However, the Company's legal advisor and management have assessed the case and believe that the Company is not liable for the duty shortfalls and surcharges because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. As at 30 September 2016, the Company therefore did not record a provision for the expense that may arise as a result of this litigation in the financial statements.

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investment, trade accounts payable, short-term loans and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company 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 as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term borrowing and long-term borrowings with interest. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities 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)

As at 30 September 2016						
Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1 - 5 years					
<u>Financial assets</u>						
Cash and cash equivalent	-	-	499.2	7.7	506.9	0.05 - 0.500
Current investments	200.5	-	-	-	200.5	0.80 - 1.375
Trade and other receivables	-	-	-	488.3	488.3	-
Long-term investment	-	-	-	25.7	25.7	-
	200.5	-	499.2	521.7	1,221.4	
<u>Financial liabilities</u>						
Short-term loans from banks	-	-	300.0	-	300.0	2.90 - 3.05
Trade and other payables	-	-	-	551.1	551.1	-
Liabilities under finance lease agreements	4.1	8.8	-	-	12.9	2.46 - 5.01
Long-term loan from bank	64.9	113.4	-	-	178.3	3.90
	69.0	122.2	300.0	551.1	1,042.3	

(Unit: Million Baht)

As at 30 September 2015

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Floating interest rate	Non - interest bearing		
Financial assets						
Cash and cash equivalent	-	-	628.6	19.6	648.2	0.05 - 0.375
Current investments	0.1	-	-	-	0.1	0.80 - 0.875
Trade and other receivables	-	-	-	479.5	479.5	-
Long-term investment	-	-	-	25.7	25.7	-
	0.1	-	628.6	524.8	1,153.5	
Financial liabilities						
Short-term loans from banks	-	-	500.0	-	500.0	2.95 - 3.45
Trade and other payables	-	-	-	552.1	552.1	-
Liabilities under finance lease agreements	4.4	11.5	-	-	15.9	2.46 - 4.76
	4.4	11.5	500.0	552.1	1,068.0	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from purchase and sale finished goods transactions that are denominated in foreign currencies. The Company seeks to reduce this risks by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 30 September		as at 30 September		as at 30 September	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.2	1.2	0.8	1.2	34.70	36.37
Japanese yen	2.8	5.3	124.4	133.0	0.34	0.30

Foreign exchange contracts outstanding are summarised below.

As at 30 September 2016

Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	34.72 - 34.83	February - March 2017
Japanese yen	49.6	0.34 - 0.35	March - April 2017

As at 30 September 2015

Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.1	36.11 - 36.17	March 2016
Japanese yen	20.0	0.30	March 2016

29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, loans from bear interest closed to market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

As at 30 September 2016, the Company had the assets that were disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	346	-	346

During the current year, there were no transfers within the fair value hierarchy.

30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 30 September 2016, the Company's debt-to-equity ratio was 0.68:1 (2015: 0.69:1).

31. Event after the reporting period

The Meeting of the Company's Board of Directors, held on 22 November 2016, passed the resolution to propose the payment of a dividend for the year 2016 of Baht 0.50 per share. Since the Company's Board of Directors previously approved an interim dividend from income of the year 2016 of Baht 0.25 per share, the remaining dividend payment is Baht 0.25 per share, amounting to Baht 64.95 million. The Board of Directors will propose the dividend payment for approval by the Annual General Meeting of the Company's shareholders for the year 2016.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 November 2016.