

Somboon Advance Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2018

1 General information

Somboon Advance Technology Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at

Head Office : 129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

Branch : 300/10 Moo 1, Tambon Tasit, Amphur Pluak Daeng, Rayong 21140.

Branch : 7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

The Company was listed on the Stock Exchange of Thailand in January 2005.

The major shareholders during the financial year were Somboon Holding Company Limited (29.9% shareholding), which incorporated in Thailand and Kitaphanich family (14.8% shareholding).

The principal businesses of the Company are the manufacture of pick-up axles and truck trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2017 and 2016 are given in note 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

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<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (n)

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3 (s)	Current and deferred taxation
Note 20	Measurement of defined benefit obligations

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint venture.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

The Group is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange and interest rate. These financial instruments, which mainly comprise forward foreign exchange contracts and interest swap contract are not recognised in the financial statements on inception but deferred and accounted for on a settlement basis.

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(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost including an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in subsidiaries and associates and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint venture in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, where these investments are derecognised the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

(i) *Property, plant and equipment*

Recognition and measurement

Owned asset

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

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Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and other constructions	5 - 40 years
Machinery and factory equipment	1.5 - 30 years
Office furniture, fixtures and equipment	3 - 5 years
Vehicle	5 years

No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Intangible assets*

Goodwill

Goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable assets acquired.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3 (k). Negative goodwill is recognised immediately in profit or loss.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in statement of income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows: ☐

Software licences	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at cost less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

(m) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income ("OCI"). The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebate.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

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Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest incomes are recognised in profit or loss as it accrues.

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

4 *Related parties*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Relationships with associates, joint venture and subsidiaries are described in notes 10 and 11. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Somboon Holding Company Limited	Thailand	Major shareholders, 29.9% shareholding
Yongkee Co., Ltd.	Thailand	A common shareholder of the Company
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

Significant transactions for the years ended 31 December 2017 and 2016 with related parties were as follows:

<i>Year ended 31 December</i>	Pricing policies	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
Subsidiaries					
Sales of goods	Approximates market prices	-	-	108	114
Dividend income	Right to receive	-	-	-	31
Interest income	Contractually agreed rate	-	-	1	4
Management fee income	Contractually agreed price	-	-	90	101
Facilities income	Approximates cost	-	-	9	9
Rental income	Contractually agreed price	-	-	6	6
Sales of scraps	Approximates market prices	-	-	8	5
Rental expense	Contractually agreed price	-	-	2	2
Facilities expense	Approximates cost	-	-	3	3
Other expense	Approximates market price	-	-	-	5
Associate					
Purchases of goods	Approximates market price	38	41	-	-
Key management personnel					
Key management personnel compensation					
Short-term benefits		68	74	67	66
Other long-term benefits		3	3	2	2
Total key management personnel compensation		71	77	69	68

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<i>Year ended</i> <i>31 December</i>	Pricing policies	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
Other related parties					
Sales of goods	Approximates market prices	98	99	10	10
Purchases of raw material	Approximates market prices	1	2	-	-

Balances as at 31 December 2017 and 2016 with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiary				
Somboon Malleable Iron Industrial Company Limited	-	-	17,715	20,174
Other related party				
Yongkee Co., Ltd.	35,485	39,872	3,627	2,114
Total	35,485	39,872	21,342	22,288

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Somboon Malleable Iron Industrial Company Limited	-	-	18,538	19,251
International Casting Products Co., Ltd	-	-	13,873	11,528
Bangkok Spring Industrial Company Limited	-	-	12,005	14,794
Somboon Forging Technology Company Limited	-	-	6,996	6,312
SBG International Japan Company Limited	-	-	-	4
Joint venture				
Mubea Somboon Automotive Company Limited	11,931	-	-	-
Total	11,931	-	51,412	51,889

<i>Short-term loans to related parties</i>	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Subsidiaries		
SBG International Japan Company Limited	-	40,000
Somboon Forging Technology Company Limited	60,000	30,000
Joint venture		
Mubea Somboon Automotive Company Limited	200,000	-
	260,000	70,000
<i>Less allowance for doubtful accounts</i>	-	(37,000)
Net	260,000	33,000

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Movements during the years ended 31 December 2017 and 2016 of loans to related parties were as follows:

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Short-term loans to related parties		
At 1 January	33,000	150,000
Increase	380,000	430,000
Decrease	(153,000)	(510,000)
Allowance for doubtful accounts	-	(37,000)
At 31 December	<u>260,000</u>	<u>33,000</u>

The Company recognised doubtful debt from short-term loans to a subsidiary from registration of liquidation of such subsidiary (see Note 11) amounting to Baht 37 million in the separate statement of income for the year ended 31 December 2016.

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade account payable				
Associate				
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	10,636	11,906	-	-
Other related parties				
Yongkee Co., Ltd.	402	409	-	-
Total	<u>11,038</u>	<u>12,315</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Other payables				
Subsidiaries				
Bangkok Spring Industrial Company Limited	-	-	848	726
Somboon Malleable Iron Industrial Company Limited	-	-	59	-
International Casting Products Co., Ltd.	-	-	9	9
Associate				
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	49	74	-	-
Total	<u>49</u>	<u>74</u>	<u>916</u>	<u>735</u>

Land and building lease agreement

As at 31 December 2017, a subsidiary had land and building lease agreement with joint venture for the period of 3 years and 1-2 years, respectively with effective from the date of the subsidiary's business was transferred to the joint venture. The subsidiary will receive land and building rental as stipulated in the agreement.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Management service agreement

As at 31 December 2017, the Company had management service agreement with joint venture with effective from the date of the subsidiary's business was transferred to the joint venture to 31 December 2019. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	320	320	90	90
Cash at banks - current accounts	8,882	5,150	8,295	3,198
Cash at banks - savings accounts	1,875,423	1,065,822	143,633	377,602
Total	1,884,625	1,071,292	152,018	380,890

6 Current investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institution	153,214	337,230	102,141	272,130
Investment in mutual funds	301,305	-	-	-
Total	454,519	337,230	102,141	272,130

Current investments represents short-term deposits at financial institutions with maturity period over 3 months but less than 1 year and had annual interest rates of 1.3% as at 31 December 2017 (2016: 1.45%) and investment in available-for-sales mutual fund which are valued at fair value as at period end.

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	35,485	39,872	21,342	22,288
Other parties		1,355,916	1,291,575	391,017	344,620
Total		1,391,401	1,331,447	412,359	366,908
Less allowance for doubtful accounts		-	(68)	-	-
Net		1,391,401	1,331,379	412,359	366,908

Somboon Advance Technology Public Company Limited and its Subsidiaries
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For the year ended 31 December 2017

Aging analyses for trade accounts receivable were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms	4	35,485	39,872	21,342	22,288
Other parties					
Within credit terms		1,355,364	1,289,340	391,011	344,620
Overdue:					
Less than 3 months		552	1,480	6	-
3-12 months		-	335	-	-
Over 12 months		-	420	-	-
		<u>1,355,916</u>	<u>1,291,575</u>	<u>391,017</u>	<u>344,620</u>
Less allowance for doubtful accounts		-	(68)	-	-
		<u>1,355,916</u>	<u>1,291,507</u>	<u>391,017</u>	<u>344,620</u>
Net		<u>1,391,401</u>	<u>1,331,379</u>	<u>412,359</u>	<u>366,908</u>

The normal credit term granted by the group is 30-90 days.

8 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	11,931	-	51,412	51,889
Other parties					
Revenue department receivable		102,635	80,706	1,475	1,400
Prepaid expenses		5,618	4,666	1,060	1,902
Accrued incomes		4,280	2,122	4,176	491
Others		3,607	10,812	2,210	2,274
Total		<u>128,071</u>	<u>98,306</u>	<u>60,333</u>	<u>57,956</u>

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	212,385	268,164	50,414	56,699
Work in process	41,817	59,633	5,200	3,041
Raw materials	15,944	87,123	8,001	7,337
Factory supplies	108,097	162,189	17,113	24,512
Spare parts for machinery	104,883	122,244	35,405	46,893
Goods in transit	2,537	10,637	106	248
Total	<u>485,663</u>	<u>709,990</u>	<u>116,239</u>	<u>138,730</u>
Less allowance for decline in value	(57,798)	(84,981)	(10,815)	(20,905)
Net	<u>427,865</u>	<u>625,009</u>	<u>105,424</u>	<u>117,825</u>

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10 Investments in associates and joint venture

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Associates		
At 1 January	339,203	279,695
Share of net profit of associates	92,778	73,014
Dividend income	(14,211)	(13,506)
At 31 December	<u>417,770</u>	<u>339,203</u>
Joint venture		
At 1 January	-	-
Acquisitions	350,500	-
Share of net loss of joint venture	(648)	-
At 31 December	<u>349,852</u>	<u>-</u>
Total		
At 1 January	339,203	279,695
Share of net profit of associates and joint venture	92,130	73,014
Acquisitions	350,500	-
Dividend income	(14,211)	(13,506)
At 31 December	<u>767,622</u>	<u>339,203</u>
Separate financial statements		
	2017	2016
	<i>(in thousand Baht)</i>	
Joint venture		
At 1 January	-	-
Acquisitions	350,500	-
At 31 December	<u>350,500</u>	<u>-</u>

Acquisition of investments in joint venture

On 27 July 2017, the Company entered into a joint venture agreement with MUBEA ENGINEERING AG as a result of resolution of the Board of Directors' meeting held on 20 July 2017 and established a joint venture, Mubea Somboon Automotive Co., Ltd., and registered with the Ministry of Commerce on 9 November 2017 for selling auto parts and other supporting parts. The Company has a shareholding of 50.01% in this joint venture.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Investments in associates as at 31 December 2017 and 2016, and dividend income for the years then ended were as follows:

Consolidated financial statements												
Type of business	Country of incorporation	Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income		
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
		(%)				(in thousand Baht)						
Associates												
Tsuchiyoshi Somboon Coated Sand Co., Ltd	Manufacture and sale of plastic-coated sand and dry sand	Thailand	21.25	21.25	72,000	72,000	15,300	15,300	60,508	55,261	4,590	4,590
Yamada Somboon Company Limited	Manufacture and sale of auto parts	Thailand	20.00	20.00	150,000	150,000	<u>30,807</u>	<u>30,807</u>	<u>357,262</u>	<u>283,942</u>	<u>9,621</u>	<u>8,916</u>
							<u>46,107</u>	<u>46,107</u>	<u>417,770</u>	<u>339,203</u>	<u>14,211</u>	<u>13,506</u>
Joint venture												
Mubea Somboon Automotive Co., Ltd.	Manufacture and sale of auto parts	Thailand	50.00	-	701,000	-	<u>350,500</u>	<u>-</u>	<u>349,852</u>	<u>-</u>	<u>-</u>	<u>-</u>
							<u>396,607</u>	<u>46,107</u>	<u>767,622</u>	<u>339,203</u>	<u>14,211</u>	<u>13,506</u>

None of the Group's associates and joint venture are publicly listed and consequently do not have published price quotations

Somboon Advance Technology Public Company Limited and its Subsidiaries
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11 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	2,542,012	2,461,891
Increase in share capital of subsidiary	-	100,000
Allowance for impairment	-	(19,879)
At 31 December	<u>2,542,012</u>	<u>2,542,012</u>

At the board of directors' meeting of the Company held on 20 October 2016, the board of directors approved a registration of liquidation of SBG International Japan Company Limited, a subsidiary in Japan, on 31 October 2016. Consequently, the Company recognized loss on impairment of investment in a subsidiary of Baht 20 million in the separate statement of income for the year ended 31 December 2016.

At the board of directors' meeting of the Company held on 9 August 2016, the board of directors approved an increase of the authorised share capital of Somboon Forging Technology Company Limited from Baht 250 million to Baht 350 million; by issuing new 1 million ordinary shares, at the par value of Baht 100 per share. The increase in share capital of the subsidiary was registered with the Ministry of Commerce on 15 September 2016.

Disposal of subsidiary's business

On 27 December 2017, Bangkok Spring Industrial Company Limited, a subsidiary, disposed net assets and liabilities to Mubea Somboon Automotive Co., Ltd. according to a joint venture agreement dated 27 July 2017 between Somboon Advance Technology Public Company Limited and MUBEA ENGINEERING AG. Mubea Somboon Automotive Co., Ltd. paid preliminary paid of Baht 1,048 million. The Group considered this transaction as sales of asset.

The transferred assets and liabilities comprised of the followings:

	Net book value <i>(in million baht)</i>
Inventories	156
Property, plant and equipment	815
Intangible assets	1
Tooling	9
Employee benefits obligation	(58)
Total transferred assets and liabilities	<u>923</u>
Consideration received	<u>1,055</u>
Gain from sales of business	<u>132</u>

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income for the years then ended were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Separate financial statements				Dividend income			
			2017	2016	2017	2016	Cost		Impairment		At cost - net		2017	2016
			2017		2016		2017	2016	2017	2016	2017	2016	2017	2016
			(%)				<i>(in thousand Baht)</i>							
Subsidiaries														
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	Thailand	100	100	500,000	500,000	875,989	875,989	-	-	875,989	875,989	-	-
Bangkok Spring Industrial Company Limited	Manufacture and sale of auto parts	Thailand	100	100	130,000	130,000	519,989	519,989	-	-	519,989	519,989	-	31,199
International Casting Products Co., Ltd	Manufacture and sale of auto parts	Thailand	100	100	785,000	785,000	796,034	796,034	-	-	796,034	796,034	-	-
SBG International Japan Company Limited	Provide marketing information support	Japan	-	100	-	19,879	-	19,879	-	(19,879)	-	-	-	-
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	Thailand	100	100	350,000	350,000	350,000	350,000	-	-	350,000	350,000	-	-
Total							<u>2,542,012</u>	<u>2,561,891</u>	<u>-</u>	<u>(19,879)</u>	<u>2,542,012</u>	<u>2,542,012</u>	<u>-</u>	<u>31,199</u>

Somboon Advance Technology Public Company Limited and its Subsidiaries
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12 Other long-term investments

	Type of business	Consolidated financial statements				
		Paid-up capital	Ownership Interest		Cost	
			2017	2016	2017	2016
			(%)		<i>(in thousand Baht)</i>	
Nisshinbo Somboon Automotive Company Limited	Manufacture and sale of auto parts and brake systems	732,600	2.90	2.90	21,250	21,250
Somboon Somic Manufacturing Company Limited	Manufacture and sale of auto parts	300,000	1.80	1.80	5,401	5,401
Total					26,651	26,651

13 Investment properties

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in June 2016, at market comparison approach. The appraised value was Baht 90 million.

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio.

The fair value for investment property of Baht 90 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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14 Property, plant and equipment

Consolidated financial statements

	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
<i>Cost</i>								
At 1 January 2016	622,727	1,862,562	9,276,781	170,392	15,126	218,487	76,700	12,242,775
Additions	-	2,102	37,651	4,809	21	441,769	21,984	508,336
Transfers	-	66,586	164,694	18	40	(196,356)	(34,982)	-
Disposals	-	(844)	(53,484)	(595)	(1,298)	-	-	(56,221)
At 31 December 2016 and 1 January 2017	622,727	1,930,406	9,425,642	174,624	13,889	463,900	63,702	12,694,890
Additions	-	1,561	44,532	8,504	215	201,977	38,638	295,427
Transfers	-	28,194	447,370	6,062	-	(460,782)	(20,844)	-
Disposals of subsidiary's business	(83,299)	(246,343)	(1,365,854)	(6,129)	-	(76,751)	(4,324)	(1,782,700)
Disposals	-	(1,182)	(94,364)	(1,425)	(2,034)	-	-	(99,005)
At 31 December 2017	539,428	1,712,636	8,457,326	181,636	12,070	128,344	77,172	11,108,612
<i>Depreciation</i>								
At 1 January 2016	-	705,647	5,676,027	145,849	10,687	-	-	6,538,210
Depreciation charge for the year	-	100,890	686,184	10,278	1,026	-	-	798,378
Disposals	-	(618)	(49,448)	(580)	(618)	-	-	(51,264)
At 31 December 2016 and 1 January 2017	-	805,919	6,312,763	155,547	11,095	-	-	7,285,324
Depreciation charge for the year	-	103,630	658,609	11,020	777	-	-	774,036
Disposals of subsidiary's business	-	(80,495)	(881,554)	(5,215)	-	-	-	(967,264)
Disposals	-	(918)	(93,061)	(1,386)	(2,034)	-	-	(97,399)
At 31 December 2017	-	828,136	5,996,757	159,966	9,838	-	-	6,994,697

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Consolidated financial statements

	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
<i>Net book value</i>								
At 1 January 2016								
Owned assets	622,727	1,156,915	3,598,199	24,104	4,439	218,487	76,700	5,701,571
Assets under finance leases	-	-	2,555	439	-	-	-	2,994
	622,727	1,156,915	3,600,754	24,543	4,439	218,487	76,700	5,704,565
At 31 December 2016 and 1 January 2017								
Owned assets	622,727	1,124,487	3,110,590	18,701	2,794	463,900	63,702	5,406,901
Assets under finance leases	-	-	2,289	376	-	-	-	2,665
	622,727	1,124,487	3,112,879	19,077	2,794	463,900	63,702	5,409,566
At 31 December 2017								
Owned assets	539,428	884,500	2,458,547	21,530	2,232	128,344	77,172	4,111,753
Assets under finance leases	-	-	2,022	140	-	-	-	2,162
	539,428	884,500	2,460,569	21,670	2,232	128,344	77,172	4,113,915

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	Separate financial statements							Total
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	
Cost								
At 1 January 2016	91,781	448,835	2,798,376	65,290	9,281	112,110	11,232	3,536,905
Additions	-	743	6,409	1,980	17	311,926	2	321,077
Transfers	-	56,808	28,474	-	40	(84,945)	(377)	-
At 31 December 2016 and 1 January 2017	91,781	506,386	2,833,259	67,270	9,338	339,091	10,857	3,857,982
Additions	-	1,019	6,080	4,069	14	34,546	819	46,547
Transfers	-	17,081	336,799	4,984	-	(354,869)	(3995)	-
Disposals	-	(377)	(685)	(766)	(787)	-	-	(2,615)
At 31 December 2017	91,781	524,109	3,175,453	75,557	8,565	18,768	7,681	3,901,914
Depreciation								
At 1 January 2016	-	163,314	1,912,061	57,927	5,762	-	-	2,139,064
Depreciation charge for the year	-	30,514	183,636	3,053	788	-	-	217,991
At 31 December 2016 and 1 January 2017	-	193,828	2,095,697	60,980	6,550	-	-	2,357,055
Depreciation charge for the year	-	32,568	210,123	4,725	772	-	-	248,188
Disposals	-	(359)	(683)	(727)	(787)	-	-	(2,556)
At 31 December 2017	-	226,037	2,305,137	64,978	6,535	-	-	2,602,687

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Separate financial statements

	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
Net book value								
At 1 January 2016								
Owned assets	91,781	285,521	886,315	7,024	3,519	112,110	11,232	1,397,502
Assets under finance leases	-	-	-	339	-	-	-	339
	91,781	285,521	886,315	7,363	3,519	112,110	11,232	1,397,841
At 31 December 2016 and 1 January 2017								
Owned assets	91,781	312,558	737,562	6,082	2,788	339,091	10,857	1,500,719
Assets under finance leases	-	-	-	208	-	-	-	208
	91,781	312,558	737,562	6,290	2,788	339,091	10,857	1,500,927
At 31 December 2017								
Owned assets	91,781	298,072	870,316	10,502	2,030	18,769	7,680	1,299,150
Assets under finance leases	-	-	-	77	-	-	-	77
	91,781	298,072	870,316	10,579	2,030	18,769	7,680	1,299,227

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The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounting to Baht 3,537 million (2016: Baht 3,543 million).

As at 31 December 2017, land of the Company valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

The Company and its subsidiaries have mortgaged a majority of their land with structures thereon and machineries as collateral for credit facilities granted by commercial banks.

During 2016, the Company capitalised interest amounting to Baht 1 million to the machinery under installation. The capitalised interests were borrowing costs of loans obtained for specific purposes. The interest rates used to determine the amount of borrowing costs eligible for capitalisation were 2.79% per annum.

15 Intangible assets

	Consolidated financial statements		
	Software licences	Software under installation	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2016	117,763	6,411	124,174
Additions	10,141	-	10,141
Transfer	6,411	(6,411)	-
At 31 December 2016 and 1 January 2017	134,315	-	134,315
Additions	10,436	4,680	15,116
Disposals	(22,871)	-	(22,871)
At 31 December 2017	121,880	4,680	126,560
Amortisation			
At 1 January 2016	81,762	-	81,762
Amortisation charge for the year	11,790	-	11,790
At 31 December 2016 and 1 January 2017	93,552	-	93,552
Amortisation charge for the year	14,484	-	14,484
Disposals	(19,788)	-	(19,788)
At 31 December 2017	88,248	-	88,248
Net book value			
At 1 January 2016	36,001	6,411	42,412
At 31 December 2016 and 1 January 2017	40,763	-	40,763
At 31 December 2017	33,632	4,680	38,312

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	Separate financial statements		
	Software licences	Software under installation	Total
		<i>(in thousand Baht)</i>	
Cost			
At 1 January 2016	46,227	6,411	52,638
Additions	4,263	-	4,263
Transfer	6,411	(6,411)	-
At 31 December 2016 and 1 January 2017	56,901	-	56,901
Additions	1,261	-	1,261
At 31 December 2017	58,162	-	58,162
Amortisation			
At 1 January 2016	33,581	-	33,581
Amortisation charge for the year	4,502	-	4,502
At 31 December 2016 and 1 January 2017	38,083	-	38,083
Amortisation charge for the year	7,050	-	7,050
At 31 December 2017	45,133	-	45,133
Net book value			
At 1 January 2016	12,646	6,411	19,057
At 31 December 2016 and 1 January 2017	18,818	-	18,818
At 31 December 2017	13,029	-	13,029

16 Deferred tax

Deferred tax assets as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Deferred tax assets	38,061	38,900	15,986	11,720
Deferred tax liabilities	(99)	-	-	-
Net deferred tax assets	37,962	38,900	15,986	11,720

Movements in total deferred tax assets during the year ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January 2017	Profit or loss	Other comprehensive income (Note 26)	At 31 December 2017
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Inventories	8,901	(502)	-	8,399
Employee benefit obligations	29,999	(337)	-	29,662
Deferred tax liability				
Investments held as available-for-sale	-	-	(99)	(99)
Total	38,900	(839)	(99)	37,962

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	Consolidated financial statements			At 31 December 2016
	At 1 January 2016	(Charged) / Credited to:		
		Profit or loss (Note 26) (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	2,776	6,125	-	8,901
Employee benefit obligations	32,268	(2,269)	-	29,999
Total	35,044	3,856	-	38,900

	Separate financial statements			At 31 December 2017
	At 1 January 2017	(Charged) / Credited to:		
		Profit or loss (Note 26) (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	2,212	(465)	-	1,747
Employee benefit obligations	9,508	4,731	-	14,239
Total	11,720	4,266	-	15,986

	Separate financial statements			At 31 December 2016
	At 1 January 2016	(Charged) / Credited to:		
		Profit or loss (Note 26) (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	1,002	1,210	-	2,212
Employee benefit obligations	10,504	(996)	-	9,508
Total	11,506	214	-	11,720

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Tax losses	251,052	218,038	-	-
Total	251,052	218,038	-	-

The tax losses expire during 2018 to 2023. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

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17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current				
Short-term loan from financial institution				
- unsecured	200,000	-	200,000	-
Current portion of long-term loans from financial institutions - secured	537,336	753,649	202,123	269,222
Current portion of finance lease liabilities	539	982	85	132
Total current liabilities	737,875	754,631	402,208	269,354
Non-current				
Long-term loans from financial institutions				
- secured	469,485	1,006,821	235,086	437,209
Finance lease liabilities	-	540	-	85
Total non-current liabilities	469,485	1,007,361	235,086	437,294
Total	1,207,360	1,761,992	637,294	706,648

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	737,336	753,649	402,123	269,222
After one year but within five years	464,698	937,006	230,299	388,994
After five years	4,787	69,815	4,787	48,215
Total	1,206,821	1,760,470	637,209	706,431

As at 31 December 2017, the Group and the Company had outstanding long-term loans with financial institutions which are repayable within 2023. These loans are subject to interest at fixed rates of 4.60% - 4.80% per annum and at floating rates (fixed deposit rates, plus 2.0% - 2.75% per annum and BIBOR rate, plus 1.25% per annum) (2016: at fixed rates of 4.60% - 4.80% per annum and at floating rates of fixed deposit rates, plus 2.0% - 2.75% per annum and BIBOR rate, plus 1.25% per annum).

Long-term credit facility of the Company contains certain covenants such as dividend payment, pertaining to matters such as there shall be no effect on the total debt to equity ratio, loan repayment ability, and other conditions stipulated by the financial institutions.

The Company hedges most of their interest rate risk by entering into interest rate swap agreements with a bank, whereby the Company will repay the interest in other interest rates as specified in the agreements. These agreements will be effective until September 2018.

As at 31 December 2017, there were no long-term credit facilities of the Group which have not yet been drawn down. (31 December 2016: nil).

The long-term credit facilities are mortgaged by a majority of the land with premises and machinery of the Group.

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18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	11,038	12,315	-	-
Other parties		1,205,064	1,124,210	301,320	265,343
Total		<u>1,216,102</u>	<u>1,136,525</u>	<u>301,320</u>	<u>265,343</u>

19 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	49	74	916	735
Others					
Accrued operating expenses		144,659	146,896	51,177	63,632
Deposits and advances received		39,971	36,932	483	451
Revenue department payable		73,423	25,583	11,116	11,470
Others		99,422	89,795	7,624	6,978
Total		<u>357,524</u>	<u>299,280</u>	<u>71,316</u>	<u>83,266</u>

20 Employee benefit obligations

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Statement of financial position					
Obligations for:					
Post-employment benefits		195,961	254,582	83,048	84,991
Other long-term employee benefit		21,185	22,694	5,063	4,892
Total		<u>217,146</u>	<u>277,276</u>	<u>88,111</u>	<u>89,883</u>
<i>For the year ended 31 December</i>					
Statement of comprehensive income:					
Recognised in profit or loss:					
Post-employment benefits		27,258	26,284	9,719	9,310
Other long-term employee benefits		3,411	3,043	668	649
		<u>30,669</u>	<u>29,327</u>	<u>10,387</u>	<u>9,959</u>
Recognised in other comprehensive income:					
Cumulative actuarial losses recognised		<u>70,041</u>	<u>100,448</u>	<u>28,950</u>	<u>28,950</u>

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

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Movement in the present value of the defined benefit obligations:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Defined benefit obligations at 1 January		277,276	264,551	89,883	88,811
Include in profit or loss:					
Current service cost		24,013	23,113	8,135	7,937
Interest on obligation		6,656	6,214	2,252	2,022
		<u>30,669</u>	<u>29,327</u>	<u>10,387</u>	<u>9,959</u>
Others					
Benefit paid		(33,165)	(16,602)	(12,159)	(8,887)
Transfer employees to related party	11	(57,634)	-	-	-
		<u>(90,799)</u>	<u>(16,602)</u>	<u>(12,159)</u>	<u>(8,887)</u>
Defined benefit obligations at 31 December		<u>217,146</u>	<u>277,276</u>	<u>88,111</u>	<u>89,883</u>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
(%)				
Discount rate	2.50	2.50	2.50	2.50
Future salary increases	5.00	5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 6 years (2016 : 7 years)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
<i>(in thousand Baht)</i>				
Defined benefit obligation				
Discount rate (0.5% movement)	(11,282)	12,127	(3,394)	3,633
Future salary growth (1% movement)	25,441	(22,359)	7,831	(6,948)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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21 Share capital

	Par value per share (in Baht)	2017		2016	
		Number (thousand shares)	Baht (thousand Baht)	Number	Baht
<i>Authorised</i>					
At 1 January					
- Ordinary shares	1	425,194	425,194	426,712	426,712
Decrease in authorised shares	1	-	-	(1,518)	(1,518)
At 31 December					
- Ordinary shares	1	425,194	425,194	425,194	425,194
<i>Issued and paid-up</i>					
At 1 January					
- Ordinary shares	1	425,194	425,194	425,194	425,194
At 31 December					
- Ordinary shares	1	425,194	425,194	425,194	425,194

The Company decreased the authorised share capital from Baht 426,711,809 to Baht 425,193,894 by reducing 1,517,915 ordinary shares at the par value of Baht 1 per share, totalling of Baht 1,517,915 in order to reduce the authorised share capital that have not been issued or sold under Employee Stock Option Plan was expired in 2015. The decrease in authorised share capital was registered with the Ministry of Commerce on 3 May 2016.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

22 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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23 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Pick-up axles and truck trunnion shafts.
- *Segment 2* Other auto parts

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

Consolidated financial statements

<i>For the year ended 31 December</i>	Pick-up axles and truck trunnion shafts		Other auto parts		Total		Elimination		Net	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>									
External revenue from sale of goods and rendering of services	2,158	2,137	6,435	6,162	8,593	8,299	-	-	8,593	8,299
Inter-segment revenue from sale of goods and rendering of services	108	114	1,735	1,699	1,843	1,813	(1,843)	(1,813)	-	-
Total	2,266	2,251	8,170	7,861	10,436	10,112	(1,843)	(1,813)	8,593	8,299
Profit before income tax	358	331	576	305	934	636	(40)	19	894	655
Segment assets as at 31 December	5,317	5,308	7,239	7,078	12,556	12,386	(2,984)	(2,965)	9,572	9,421
Segment liabilities as at 31 December	1,128	1,165	2,509	2,875	3,637	4,040	(485)	(506)	3,152	3,534

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenues from certain customers of the Group represents approximately Baht 5,751 million (2016: Baht 5,854 million) of the Group's total revenues.

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24 Provident fund

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

25 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Employee benefit expenses	1,352,490	1,328,969	378,345	376,787
Depreciation and amortisation expense	788,520	810,167	255,238	222,493
Raw materials and consumables used	3,996,497	3,848,331	1,019,574	1,046,003
Changes in inventories of finished goods and work in process	(73,595)	(33,961)	(4,126)	(7,467)
Utilities expense	542,623	545,575	109,629	106,735
Doubtful debts of short-term loans to subsidiary and loss on impairment of investments in subsidiary	-	-	-	56,879
Finance costs	57,851	83,101	22,453	26,914
Others	1,335,642	1,232,918	270,810	277,171
Total expenses	<u>8,000,028</u>	<u>7,815,100</u>	<u>2,051,923</u>	<u>2,105,515</u>

26 Income tax expense

Income tax recognised in profit or loss

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		82,207	51,569	35,539	32,379
		<u>82,207</u>	<u>51,569</u>	<u>35,539</u>	<u>32,379</u>
Deferred tax expense					
Movements in temporary differences	16	938	(3,856)	(4,266)	(214)
Total income tax expense		<u>83,145</u>	<u>47,713</u>	<u>31,273</u>	<u>32,165</u>

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Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2017 Tax benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2016 Tax benefit	Net of tax
Difference from fair value on investment available-for-sale	1,305	(99)	1,206	-	-	-

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2017 <i>(in thousand Baht)</i>	Rate (%)	2016 <i>(in thousand Baht)</i>
Profit before income tax expense		894,385		655,271
Income tax using the Thai corporation tax rate	20	178,877	20	131,054
Income not subject to tax		(41,476)		(60,925)
Expenses can be additionally deductible for tax purposes		(47,897)		(11,450)
Recognition of previously unrecognised tax losses		(13,533)		(25,488)
Current year losses for which no deferred tax asset was recognised		972		1,517
Expenses not deductible for tax purposes and others		6,202		13,005
Total tax expense	9	83,145	7	47,713

	Separate financial statements			
	Rate (%)	2017 <i>(in thousand Baht)</i>	Rate (%)	2016 <i>(in thousand Baht)</i>
Profit before income tax expense		358,347		330,847
Income tax using the Thai corporation tax rate	20	71,669	20	66,169
Income not subject to tax		(26,787)		(38,989)
Expenses can be deductible for tax purposes		(15,205)		(10,993)
Expenses not deductible for tax purposes and others		1,596		15,978
Total tax expense	9	31,273	10	32,165

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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27 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to The privileges granted significantly include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations, to the extent that the amount of tax exemptions do not exceed investment capital exclusive of land and working capital;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2017			2016		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	50,349	268,738	319,087	36,674	197,237	233,911
Local sales	4,515,548	5,601,891	10,117,439	5,032,362	4,845,069	9,877,431
Eliminate	<u>(1,019,793)</u>	<u>(823,511)</u>	<u>(1,843,304)</u>	<u>(950,892)</u>	<u>(861,668)</u>	<u>(1,812,560)</u>
Total	<u>3,546,104</u>	<u>5,047,118</u>	<u>8,593,222</u>	<u>4,118,144</u>	<u>4,180,638</u>	<u>8,298,782</u>

	Separate financial statements					
	2017			2016		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	50,349	36,598	86,947	36,674	24,180	60,854
Local sales	<u>527,135</u>	<u>1,651,518</u>	<u>2,178,653</u>	<u>929,037</u>	<u>1,261,150</u>	<u>2,190,187</u>
Total	<u>577,484</u>	<u>1,688,116</u>	<u>2,265,600</u>	<u>965,711</u>	<u>1,285,330</u>	<u>2,251,041</u>

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28 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years then ended 31 December 2017 and 2016 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>811,241</u>	<u>607,558</u>	<u>327,073</u>	<u>298,682</u>
Number of ordinary shares outstanding	<u>425,194</u>	<u>425,194</u>	<u>425,194</u>	<u>425,194</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>1.91</u>	<u>1.43</u>	<u>0.77</u>	<u>0.70</u>

29 Dividends

Dividends from:	Approved		Dividends		Payment date
	By	Date	Per share <i>(Baht)</i>	Total <i>(in million Baht)</i>	
2017					
2017 Interim	Board of director	11 August 2017	0.25	106	6 September 2017
2016 Final	Shareholders	19 April 2017	0.60	174	2 May 2017
				280	
2016					
2016 Interim	Board of director	9 August 2016	0.19	81	2 September 2016
2015 Final	Shareholders	19 April 2016	0.40	170	10 May 2016
				251	

All dividends were paid from the promoted business (BOI) except the interim dividend for the year 2017 which were paid from the promoted business (BOI) in amounting to Baht 19 million at Baht 0.045 per share and non-promoted business in amounting to Baht 87 million at Baht 0.205 per share.

30 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating rate. The Group is primarily exposed to interest rate risk from its borrowings (Note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

The interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price were as follows:

	Interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
2017					
Current					
Short-term loans to related parties	MMR	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
2016					
Current					
Short-term loans to subsidiaries	MMR	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>33,000</u>

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The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements					
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Loans from financial institutions	FDR.3M/BIBOR + fixed	737,336	-	-	737,336
Non-current					
Loans from financial institutions	FDR.3M/BIBOR + fixed	-	464,698	4,787	469,485
Total		<u>737,336</u>	<u>464,698</u>	<u>4,787</u>	<u>1,206,821</u>
2016					
Current					
Loans from financial institutions	FDR.3M + fixed	753,649	-	-	753,649
Non-current					
Loans from financial institutions	FDR.3M + fixed	-	937,006	69,815	1,006,821
Total		<u>753,649</u>	<u>937,006</u>	<u>69,815</u>	<u>1,760,470</u>
Separate financial statements					
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Loans from financial institutions	FDR.3M/BIBOR + fixed	402,123	-	-	402,123
Non-current					
Loans from financial institutions	FDR.3M/BIBOR + fixed	-	230,299	4,787	235,086
Total		<u>402,123</u>	<u>230,299</u>	<u>4,787</u>	<u>637,209</u>
2016					
Current					
Loans from financial institutions	FDR.3M + fixed	269,222	-	-	269,222
Non-current					
Loans from financial institutions	FDR.3M + fixed	-	388,994	48,215	437,209
Total		<u>269,222</u>	<u>388,994</u>	<u>48,215</u>	<u>706,431</u>

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
United States Dollars				
Trade accounts receivable	13,391	6,825	13,332	6,268
Other receivables	71	-	-	-
Trade accounts payable	(75,738)	(38,372)	-	-
Other payable	(187)	(136)	-	-
Accounts payable				
- purchase of assets	-	(195)	-	-
Net exposure	(62,463)	(31,878)	13,332	6,268
Yen				
Cash and cash equivalents	-	4,103	-	-
Trade accounts receivable	12,118	9,929	-	-
Other receivable	-	617	-	-
Trade accounts payable	(12,405)	(6,926)	(5,415)	(2,170)
Other payable	(6,720)	(8,297)	(152)	-
Accounts payable				
- purchase of assets	(5,264)	(2,584)	(1,967)	(330)
Net exposure	(12,271)	(3,158)	(7,534)	(2,500)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Since the majority of financial assets and liabilities of the Group were short-term, interest rates of loans and borrowings are approximate to market rate. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

As at 31 December 2017, the Group had fair value of interest swap contract as liabilities amounting to Baht 0.4 million. (2016: Baht 1 million)

The fair values for investments in available-for-sale mutual fund are determined as Level 2 based on net asset value of investments as at period end.

Fair value of interest swap contract is based on contractor as at the report date.

31 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for</i>				
Building constructions, machineries and equipment	-	3	-	-
Future minimum lease payments under non-cancellable operating leases				
Within one year	25	31	16	15
After one year but within five years	11	16	10	7
Total	36	47	26	22
Other commitments				
Bank guarantees	61	62	14	15

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreement. The agreements are valid for 5 years, expiring in various periods up to 2020, and are renewable for a further 5 years.

As at 31 December 2017, the Company entered into an interest rate swap agreement to maintain interest rate of long term-loan with a principle amount of Baht 101 million (2016: Baht 229 million) by swapping from floating rate to fixed rate as stipulated by the agreement.

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32 Events after the reporting period

Dividends

At the Board of Directors' meeting of the Company held on 19 February 2018, the Board of Directors approved the appropriation of dividend from the operation for the year 2017 and retained earnings at the rate of Baht 0.90 per share, totalling Baht 383 million. The dividends for the year 2017 which will be paid from the promoted business (BOI) at Baht 0.14 per share in amounting to Baht 59 million and non-promoted business at Baht 0.76 per share in amounting to Baht 324 million. The interim dividend at the rate of Baht 0.25 per share, totalling Baht 106 million were paid from the promoted business (BOI) at Baht 0.05 per share in amounting to Baht 19 million and non-promoted business at Baht 0.20 per share in amounting to Baht 87 million. Therefore, the remaining dividend of Baht 0.65 per share, totalling to Baht 277 million which will be paid from the promoted business (BOI) at Baht 0.09 per share in amounting to Baht 40 million and non-promoted business at Baht 0.56 per share in amounting to Baht 327 million will be paid to shareholders on 4 May 2018. The dividend is subject to the approval of the shareholders at the Annual General Meeting.

Management service agreement

On 1 January 2018, the Group entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulate in the agreement. The Group is committed to pay annual fees amounting to Baht 19.5 million. The agreement will be effective from 1 January 2018 to 31 December 2020.