

Thai Luxe Enterprises Public Company Limited  
and its subsidiaries  
Review report and interim consolidated financial statements  
For the three-month period ended 31 March 2017

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thai Luxe Enterprises Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Luxe Enterprises Public Company Limited and its subsidiaries as at 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thai Luxe Enterprises Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

## Emphasis of matter

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to the following Notes to interim consolidated financial statements.

1. Investment in available-for-sale securities (as at 31 March 2017 amounting to approximately Baht 1,044 million)

As described in Note 4.1 to the interim consolidated financial statements, the Company has an investment in the ordinary shares of a related company that is listed on the Market for Alternative Investment (MAI), representing approximately 14% of the total share capital of that company. Some shareholders of the Company are also shareholders of that company. The Company has informed us that the Company has no intention to participate in the management of that company and also has no influence over it. In June 2016, the Company reclassified the investment from available-for-sale securities to trading securities based on the purpose of holding its investment as per a resolution passed by a meeting of the Board of Directors of the Company. During 2016, the Company recognised an unrealised gain on the revaluation of these shares (based on the latest bid price on the MAI as of 30 December 2016) of Baht 653 million. However, up to the reporting date, nearly one year from the reclassification of this investment, the volume of these shares traded by the Company is low and infrequent and assessment showed a lack of evidence to support the reclassification of this investment as trading securities. This investment therefore was reclassified again as available-for-sale securities, and is considered a long-term investment, effective from 1 January 2017. An unrealised gain on the revaluation of the investment in the first quarter of the year 2017 of approximately Baht 109 million was recorded in the shareholders' equity directly through other comprehensive income, based on the latest bid price of the shares as of 30 December 2016 which was Baht 21.7 per share and the latest bid price of the shares as of the end of the first quarter of the year 2017 which was Baht 24.3 per share.

As at 12 May 2017, the latest bid price of the shares was Baht 19.8 per share. If this price was used in the valuation of the investment, it would eliminate the unrealised gain on revaluation of the investment in the first quarter of approximately Baht 109 million, which was directly recorded in shareholders' equity, and a loss would be incurred.

The outstanding balance of this investment as at 31 March 2017 is approximately Baht 1,044 million, and represents 55% of the net asset value of the Group. This is considered as an asset with risk being concentrated in only one related company. The value of the investment depends on the operating results and the future market price of this related company and on the Company's decisions regarding the sale of the investment.

2. Other current investments (as at 31 March 2017 amounting to approximately of Baht 360 million and Baht 80 million)

As described in Note 4.2 to the interim consolidated financial statements, the Company has an investment in the bills of exchange issued by a related company (the same related company mentioned in 1. above) with an outstanding balance of Baht 450 million as of 31 December 2016. When these bills of exchange came due, the repayment term was instead extended to March 2017. In the first quarter of the year 2017, the related company made payment of Baht 120 million to the Company on the maturity date, while the remaining amount of Baht 330 million was extended to June 2017. In addition, the Company made additional investment of Baht 30 million in bills of exchange issued by this company, which will mature in May 2017. As at 31 March 2017, the outstanding balance of bills of exchange amounted to Baht 360 million, representing 19% of the net asset value of the Group. These bills of exchange are unsecured.

The Company informed us that the extensions of the repayment periods were granted for liquidity management reasons, and it is currently determining the use of funds, in accordance with its geothermal power generation project. The Company has assessed the creditworthiness of the issuers of these bills of exchange and believes that they will be settled in the future, without any default.

The investments in bills of exchange are considered to be assets with a concentration of risk in only a single related company. Settlement of these bills of exchange depends on the ability of the related company to make payment.

In addition, the Company has investments in bills of exchange issued by other companies, with outstanding balances totaling Baht 150 million as of 31 December 2016. During the first quarter of the year 2017, the Company received payment of Baht 70 million while the remaining Baht 80 million, when came due, the maturity dates instead extended to April 2017 and then to May 2017. These bills of exchange are also unsecured. The Company informed us that the extensions of the repayment periods were granted for the same reason as mentioned above. Settlement of these bills of exchange depends on the ability of the borrowers to make payment.

3. Investments in the geothermal power plant projects in Japan (as at 31 March 2017, recorded as various types of assets such as property, plant and equipment, intangible assets, advance payments and goodwill totaling approximately Baht 422 million)

As described in Note 8.2 to the interim consolidated financial statements, during the year 2016, Tluxe Holdings Limited, the subsidiary of the Company, acquired all ordinary shares of PPSN Company Limited and Sumo Power Company Limited for a total of approximately Baht 254 million. Those subsidiaries plan to operate the geothermal power plant projects in Japan. The Company has informed us that the power plants are under construction and power purchase agreements have not yet been made with customers for some of the power plants. During the first quarter of the year 2017, those subsidiaries reported operating losses and the Company informed us that the progress of the projects was still the same as that of last year, i.e. out of 12 power plants under the investment plan, 2 plants are currently operational, while the remaining 10 plants are preparing for operation. In addition, another related company, SNS Power Company Limited, has acquired an operational power plant but is still in the process of transferring the power purchase agreements with the buyers to the Group. During the first quarter of the year 2017, there was no significant progress in these power plant projects as the subsidiaries have not made any payments for the construction or purchases of assets which are significant to the completion and readiness for operation of the non-operational power plants. The recoverability of these investments depends on the completion of these projects and their future operating results.

Sirirat Sricharoensup  
Certified Public Accountant (Thailand) No. 5419

EY Office Limited  
Bangkok: 15 May 2017

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2017**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		144,846	73,202	98,755	25,353
Current investments	4				
Trading securities		-	1,027,603	-	1,027,603
Available-for-sale securities		158,902	147,307	158,902	147,307
Others		440,295	600,170	440,295	600,170
Trade and other receivables	3, 5	193,160	189,729	227,149	213,849
Inventories	6	255,277	222,535	255,277	222,535
Other current assets		26,910	21,415	5,729	5,717
<b>Total current assets</b>		<b>1,219,390</b>	<b>2,281,961</b>	<b>1,186,107</b>	<b>2,242,534</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	7,756	7,724	7,756	7,724
Investments in subsidiaries	8	-	-	3,000	3,000
Investments in associates	9	364	532	-	-
Other long-term investments	10	1,148,367	5,450	1,148,367	5,450
Long-term receivables	5	-	-	-	-
Loans to related parties	3	76,930	61,590	619,786	539,360
Investment properties		10,376	10,376	10,376	10,376
Property, plant and equipment	11	979,814	908,688	703,300	701,879
Intangible assets	12	86,499	75,093	8,346	8,252
Deferred tax assets		37,907	43,129	32,329	37,456
Goodwill		19,068	19,082	-	-
Advances payment	13	124,698	144,641	10,800	3,600
Other non-current assets		5,498	11,042	5,182	5,182
<b>Total non-current assets</b>		<b>2,497,277</b>	<b>1,287,347</b>	<b>2,549,242</b>	<b>1,322,279</b>
<b>Total assets</b>		<b>3,716,667</b>	<b>3,569,308</b>	<b>3,735,349</b>	<b>3,564,813</b>

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

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	3,14	178,859	120,749	171,803	115,168
Short-term loans from related party	3	-	1,540	-	-
Current portion of debentures	15	497,627	496,718	497,627	496,718
Current portion of liabilities under long-term lease agreements		1,083	918	1,083	918
Income tax payable		35	116	-	-
Other current liabilities		6,383	10,016	5,590	2,848
<b>Total current liabilities</b>		<b>683,987</b>	<b>630,057</b>	<b>676,103</b>	<b>615,652</b>
<b>Non-current liabilities</b>					
Debentures - net of current portion	15	980,213	979,062	980,213	979,062
Liabilities under long-term lease agreements, net of current portion		2,043	1,492	2,043	1,492
Deferred tax liabilities		145,070	127,677	143,879	126,466
Provision for long-term employee benefits		12,240	11,674	12,240	11,674
<b>Total non-current liabilities</b>		<b>1,139,566</b>	<b>1,119,905</b>	<b>1,138,375</b>	<b>1,118,694</b>
<b>Total liabilities</b>		<b>1,823,553</b>	<b>1,749,962</b>	<b>1,814,478</b>	<b>1,734,346</b>

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

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
568,451,520 ordinary shares of Baht 1 each	<u>568,452</u>	<u>568,452</u>	<u>568,452</u>	<u>568,452</u>
Issued and fully paid up				
563,050,687 ordinary shares of Baht 1 each	563,051	563,051	563,051	563,051
Share premium - ordinary shares	489,124	489,124	489,124	489,124
Capital reserve for share-based payment transactions	41,479	41,479	41,479	41,479
Retained earnings				
Appropriated - statutory reserve	56,845	56,845	56,845	56,845
Unappropriated	660,912	673,824	685,702	679,035
Other components of shareholders' equity	<u>81,703</u>	<u>(4,977)</u>	<u>84,670</u>	<u>933</u>
<b>Total shareholders' equity</b>	<u>1,893,114</u>	<u>1,819,346</u>	<u>1,920,871</u>	<u>1,830,467</u>
<b>Total liabilities and shareholders' equity</b>	<u>3,716,667</u>	<u>3,569,308</u>	<u>3,735,349</u>	<u>3,564,813</u>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		400,665	340,360	394,338	340,349
Gain on investments in securities		4,731	-	4,731	-
Interest income		8,919	9,575	19,732	9,374
Other income		3,513	2,628	3,507	4,124
<b>Total revenues</b>		<b>417,828</b>	<b>352,563</b>	<b>422,308</b>	<b>353,847</b>
<b>Expenses</b>					
Cost of sales		336,896	284,866	331,682	284,866
Selling expenses		13,134	8,930	13,134	8,929
Administrative expenses		45,081	41,148	39,030	40,730
Loss on investments in securities		-	4,551	-	4,551
Loss on exchange		8,971	-	5,417	-
<b>Total expenses</b>		<b>404,082</b>	<b>339,495</b>	<b>389,263</b>	<b>339,076</b>
<b>Profit before share of loss from investments in associates, finance cost and income tax expenses</b>		<b>13,746</b>	<b>13,068</b>	<b>33,045</b>	<b>14,771</b>
Share of loss from investments in associates	9.2	(168)	(2,686)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>13,578</b>	<b>10,382</b>	<b>33,045</b>	<b>14,771</b>
Finance cost		(21,667)	(11,563)	(21,663)	(11,562)
<b>Profit (loss) before income tax expenses</b>		<b>(8,089)</b>	<b>(1,181)</b>	<b>11,382</b>	<b>3,209</b>
Income tax expenses	16	(4,823)	(6,080)	(4,715)	(6,080)
<b>Profit (loss) from continued operation for the period</b>		<b>(12,912)</b>	<b>(7,261)</b>	<b>6,667</b>	<b>(2,871)</b>
<b>Discontinued operation</b>					
Loss from discontinued operation for the period	8.1	-	(4,174)	-	-
<b>Profit (loss) for the period</b>		<b>(12,912)</b>	<b>(11,435)</b>	<b>6,667</b>	<b>(2,871)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		2,943	-	-	-
Gain on changes in value of available-for-sale investments - net of income tax		83,737	5,068	83,737	5,068
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		86,680	5,068	83,737	5,068
<b>Other comprehensive income for the period</b>		<b>86,680</b>	<b>5,068</b>	<b>83,737</b>	<b>5,068</b>
<b>Total comprehensive income for the period</b>		<b>73,768</b>	<b>(6,367)</b>	<b>90,404</b>	<b>2,197</b>

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

(Unaudited but reviewed)

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company					
Profit (loss) from continued operation		(12,912)	(7,261)	6,667	(2,871)
Loss from discontinued operation		-	(1,628)	-	-
		<u>(12,912)</u>	<u>(8,889)</u>	<u>6,667</u>	<u>(2,871)</u>
Non-controlling interests of the subsidiaries					
Loss from discontinued operation		-	(2,546)		
		<u>-</u>	<u>(2,546)</u>		
		<u>(12,912)</u>	<u>(11,435)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company					
Profit (loss) from continued operation		73,768	(2,193)	90,404	2,197
Loss from discontinued operation		-	(1,628)	-	-
		<u>73,768</u>	<u>(3,821)</u>	<u>90,404</u>	<u>2,197</u>
Non-controlling interests of the subsidiaries					
Loss from discontinued operation		-	(2,546)		
		<u>-</u>	<u>(2,546)</u>		
		<u>73,768</u>	<u>(6,367)</u>		
		-	-		
<b>Earnings per share</b>					
17					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.02)</u>	<u>(0.02)</u>	<u>0.01</u>	<u>(0.01)</u>
<b>Earnings per share from continued operation</b>					
17					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.02)</u>	<u>(0.01)</u>	<u>0.01</u>	<u>(0.01)</u>

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

(Unaudited but reviewed)

## Thai Luxe Enterprises Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other comprehensive income							
					Exchange	Surplus (deficit)	Surplus			Total equity	Equity attributable	
					differences on	on changes	on changes in	Total other	attributable to	owners of	to non-controlling	
					translation of	in value of	the ownership	components of	the Company	interests of	interests of	
					financial	available-for-sale	interests	shareholders'	equity	the Company	the subsidiaries	
					statements in	investments	in a subsidiary	equity	the Company	the Company	the subsidiaries	
					foreign currency	in value of	in a subsidiary	equity	the Company	the Company	the subsidiaries	
					Retained earnings							
					Appropriated	Unappropriated					Total	
					share capital	- ordinary shares	transactions					
					Issued and	Share premium	Capital reserve					
					fully paid-up	- ordinary shares	for share-based					
					share capital	- ordinary shares	payment					
<b>Balance as at 1 January 2016</b>	563,051	489,124	41,479	56,845	432,752	-	(5,279)	3,678	(1,601)	1,581,650	12,451	1,594,101
Loss for the period	-	-	-	-	(8,889)	-	-	-	-	(8,889)	(2,546)	(11,435)
Other comprehensive income for the period	-	-	-	-	-	-	5,068	-	5,068	5,068	-	5,068
Total comprehensive income for the period	-	-	-	-	(8,889)	-	5,068	-	5,068	(3,821)	(2,546)	(6,367)
Subsidiaries' share capital increase	-	-	-	-	-	-	-	-	-	-	11,250	11,250
<b>Balance as at 31 March 2016</b>	<b>563,051</b>	<b>489,124</b>	<b>41,479</b>	<b>56,845</b>	<b>423,863</b>	<b>-</b>	<b>(211)</b>	<b>3,678</b>	<b>3,467</b>	<b>1,577,829</b>	<b>21,155</b>	<b>1,598,984</b>
<b>Balance as at 1 January 2017</b>	563,051	489,124	41,479	56,845	673,824	(5,910)	933	-	(4,977)	1,819,346	-	1,819,346
Loss for the period	-	-	-	-	(12,912)	-	-	-	-	(12,912)	-	(12,912)
Other comprehensive income for the period	-	-	-	-	-	2,943	83,737	-	86,680	86,680	-	86,680
Total comprehensive income for the period	-	-	-	-	(12,912)	2,943	83,737	-	86,680	73,768	-	73,768
<b>Balance as at 31 March 2017</b>	<b>563,051</b>	<b>489,124</b>	<b>41,479</b>	<b>56,845</b>	<b>660,912</b>	<b>(2,967)</b>	<b>84,670</b>	<b>-</b>	<b>81,703</b>	<b>1,893,114</b>	<b>-</b>	<b>1,893,114</b>

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

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

<b>Separate financial statements</b>								
					<u>Other components of shareholders' equity</u>			
					<u>Other comprehensive income</u>			
					Surplus (deficit) on changes	Total other		
					in value of	components of		Total
					available-for-sale	shareholders'		shareholders'
					investments	equity		equity
Issued and fully		Share premium		Capital reserve				
paid-up share capital		- ordinary shares		for share-based				
				payment				
				transactions				
				Retained earnings				
				Appropriated		Unappropriated		
<b>Balance as at 1 January 2016</b>	563,051	489,124	41,479	56,845	451,979	(5,279)	(5,279)	1,597,199
Loss for the period	-	-	-	-	(2,871)	-	-	(2,871)
Other comprehensive income for the period	-	-	-	-	-	5,068	5,068	5,068
Total comprehensive income for the period	-	-	-	-	(2,871)	5,068	5,068	2,197
<b>Balance as at 31 March 2016</b>	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>449,108</u>	<u>(211)</u>	<u>(211)</u>	<u>1,599,396</u>
<b>Balance as at 1 January 2017</b>	563,051	489,124	41,479	56,845	679,035	933	933	1,830,467
Profit for the period	-	-	-	-	6,667	-	-	6,667
Other comprehensive income for the period	-	-	-	-	-	83,737	83,737	83,737
Total comprehensive income for the period	-	-	-	-	6,667	83,737	83,737	90,404
<b>Balance as at 31 March 2017</b>	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>685,702</u>	<u>84,670</u>	<u>84,670</u>	<u>1,920,871</u>

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

(Unaudited but reviewed)

**Thai Luxe Enterprises Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax from continued operation	(8,089)	(1,181)	11,382	3,209
Add: Loss before tax from discontinued operation	-	(4,268)	-	-
Profit (loss) before tax	(8,089)	(5,449)	11,382	3,209
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	23,086	25,420	19,052	23,718
Amortisation of deferred arrangement fee for bill of exchanges	-	412	-	412
Amortisation of deferred arrangement fee for debentures	2,060	1,030	2,060	1,030
Bad debts	-	1,040	-	1,040
Allowance for doubtful accounts (reversal)	1,207	(278)	1,207	(278)
Reversal of reduction of inventories to net realisable value	(2,299)	(10,401)	(2,299)	(10,795)
Unrealised loss on revaluation of trading securities	-	3,667	-	3,667
Loss on sales of trading securities	-	1,275	-	1,275
Gain on sales of available-for-sale securities	(4,731)	(391)	(4,731)	(391)
Loss (gain) on sales of equipment	(332)	44	(332)	58
Share of loss from investments in associates	168	2,686	-	-
Provision for long-term employee benefits	566	585	566	506
Dividend income from investments in available-for-sale securities	(122)	-	(122)	-
Unrealised on exchange loss (gain)	5,658	(3,747)	4,295	(3,747)
Interest income	(8,919)	(9,575)	(19,732)	(9,374)
Interest expenses	19,221	10,260	19,216	9,755
Profit from operating activities before changes in operating assets and liabilities	27,474	16,578	30,562	20,085
Operating assets (increase) decrease				
Trade and other receivables/long-term receivables	(25,930)	1,311	(24,986)	(46,878)
Inventories	(30,443)	76,631	(30,443)	79,112
Other current assets	(5,495)	12,490	147	(2,468)
Other non-current assets	5,702	(687)	-	(687)
Operating liabilities increase (decrease)				
Trade and other payables	53,985	(37,436)	51,878	(32,920)
Other current liabilities	(7,892)	296	(1,517)	(252)
Cash flows from operating activities	17,401	69,183	25,641	15,992
Cash paid for interest expenses	(19,759)	(2,231)	(19,712)	(1,729)
Cash paid for income tax	(275)	(128)	(159)	(106)
<b>Net cash flows from (used in) operating activities</b>	<b>(2,633)</b>	<b>66,824</b>	<b>5,770</b>	<b>14,157</b>

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

(Unaudited but reviewed)

**Thai Luxe Enterprises Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(32)	(31)	(32)	(31)
Purchases of current investments - trading securities	-	(14,422)	-	(14,422)
Cash receipt from sales of trading securities	-	20,733	-	20,733
Purchases of current investments - available-for-sale securities	(296,478)	(849,730)	(296,478)	(849,730)
Cash receipt from sale of available-for-sale securities	275,862	619,125	275,862	619,125
Increase in other current investments	(80,603)	(406,604)	(80,603)	(406,604)
Decrease in other current investments	240,000	379,499	240,000	217,000
Cash receipt from repayment of short-term loans to related party	-	-	-	160,000
Increase in short-term loans to unrelated parties	-	(119,887)	-	(119,887)
Increase in loans to related parties	(15,541)	-	(80,426)	-
Decrease in share payable	-	(22,500)	-	(22,500)
Acquisition of investments in subsidiary	-	-	-	(25,000)
Cash received from disposal of investments in subsidiary	9,580	-	9,580	-
Cash received from disposal of investments in associate	12,699	-	12,699	-
Cash paid for share subscriptions payment	-	-	-	(25,000)
Acquisition of plant and equipment	(14,461)	(8,254)	(14,461)	(7,292)
Proceed from sales of equipment	897	99	897	85
Acquisition of intangible assets	(402)	(274)	(402)	(178)
Cash paid in advance for machinery	-	(39)	-	-
Cash paid in advance for power plants	(58,159)	-	-	-
Cash paid in advance for acquisition of assets	(7,200)	-	(7,200)	-
Dividend receipt from investments in available-for-sale securities	122	-	122	-
Interest income	8,374	2,999	8,374	3,226
<b>Net cash flows from (used in) investing activities</b>	<b>74,658</b>	<b>(399,286)</b>	<b>67,932</b>	<b>(450,475)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(73,587)	-	(80,000)
Decrease in trust receipts and packing credits	-	(978)	-	(2,777)
Decrease in short-term loans from related party	(1,540)	-	-	-
Decrease in short-term loans from unrelated parties	-	(95,110)	-	(95,110)
Cash received from debentures	-	687,188	-	687,188
Repayment of liabilities under long-term lease agreements	(300)	(235)	(300)	(235)
<b>Net cash flows from (used in) financing activities</b>	<b>(1,840)</b>	<b>517,278</b>	<b>(300)</b>	<b>509,066</b>
<b>Increase in translation adjustments</b>	<b>1,459</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>71,644</b>	<b>184,816</b>	<b>73,402</b>	<b>72,748</b>
Cash and cash equivalents at beginning of period	73,202	108,492	25,353	92,604
Cash and cash equivalents at end of period from discontinued operation	-	(23,936)	-	-
<b>Cash and cash equivalents at end of period</b>	<b>144,846</b>	<b>269,372</b>	<b>98,755</b>	<b>165,352</b>

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

(Unaudited but reviewed)

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Supplemental cash flows information</b>				
Non-cash items				
Reclassification of current investments in trading securities to available-for-sale securities	1,027,603	-	1,027,603	-
Acquisition of investments in subsidiary for which paid in advance	-	-	-	13,750
Acquisition of power plants for which paid in advance	72,707	-	-	-
Acquisition of intangible assets for which paid in advance	12,595	-	-	-
Acquisition of equipment that have not yet been paid	5,253	3,107	5,253	1,655
Assets acquired under long-term lease agreements	1,016	486	1,016	486

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

**Thai Luxe Enterprises Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month periods ended 31 March 2017**

**1. General information**

**1.1 Corporate information**

Thai Luxe Enterprises 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 feeds for aquatic animals and pets. The registered office of the Company is at 69/5 Moo 5 Rama 2 Road (Km. 71) Tambol Bangkhantaek, Amphur Muang, Samutsongkhram.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.3 Basis of consolidation**

These consolidated financial statements include the financial statements of Thai Luxe Enterprises Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016.

#### 1.4 New financial reporting standards

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

#### 2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

#### 3. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	-	1	Contract prices
Interest income	-	-	11	-	3 - 8 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	45	-	45	-	Cost plus contract rate
Purchase of raw materials	19	-	19	-	Market prices
Interest income	7	-	7	-	6 percent per annum

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<b><u>Other current investments - related party</u></b>				
<b>(Note 4)</b>				
Related party (common shareholders)	359,795	450,000	359,795	450,000
Total other current investments - related party	<u>359,795</u>	<u>450,000</u>	<u>359,795</u>	<u>450,000</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	37,730	26,434
Associate	1,501	605	-	-
Related parties (common shareholders)	38,186	571	38,186	571
Related parties (director of subsidiaries)	-	1	-	-
Total trade and other receivables - related parties	<u>39,687</u>	<u>1,177</u>	<u>75,916</u>	<u>27,005</u>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 14)</b>				
Related party (common director)	5	47	-	-
Related party (common shareholders)	16,498	-	16,498	-
Related parties (director of subsidiaries)	971	979	-	-
Total trade and other payables - related parties	<u>17,474</u>	<u>1,026</u>	<u>16,498</u>	<u>-</u>

(Unaudited but reviewed)

### Loans to related party

As at 31 March 2017, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Loans to related party	Related by	Consolidated financial statements			
		Balance as at 1 January 2017	Increase during the period	Translation adjustment	Balance as at 31 March 2017
M-Luxe Energy Co., Ltd	Associate	61,590	15,541	(201)	76,930
Total		61,590	15,541	(201)	76,930

The loans to related parties carried interest rate at 3 percent per annum and are payable in August 2018 and March 2020.

(Unit: Thousand Baht)

Loans to related parties	Related by	Separate financial statements		
		Balance as at 1 January 2017	Increase during the period	Balance as at 31 March 2017
Tluxe Power Co., Ltd.	Subsidiary	166,659	-	166,659
PPSN Co., Ltd.	Subsidiary	440,972	80,426	521,398
Sumo Power Co., Ltd.	Subsidiary	83,729	-	83,729
Total		691,360	80,426	771,786
Less: Allowance for impairment		(152,000)	-	(152,000)
Loan to related parties - net		539,360	80,426	619,786

The loans to related parties carried interest rate at 3 - 8 percent per annum and maturing on demand. The Company has no plans to call the loans within one year, therefore, classified such loans as non-current assets in the financial statements.

### Short-term loans from related party

As at 31 March 2017, the balance of loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

Loans from related party	Related by	Consolidated financial statements		
		Balance as at 1 January 2017	Decrease during the period	Balance as at 31 March 2017
Dual Energy Co., Ltd.	Common director	1,540	(1,540)	-
Total		1,540	(1,540)	-

(Unaudited but reviewed)

Directors and management's benefits

For the three-month periods ended 31 March 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	4,347	3,362	3,234	3,091
Post-employment benefits	228	250	228	248
Other long-term benefits	-	1	-	1
Total	<u>4,575</u>	<u>3,613</u>	<u>3,462</u>	<u>3,340</u>

Employee benefit expenses payable to their directors and management of discontinued operation for the three-month period ended 31 March 2016 amounting to Baht 0.3 million.

**4. Current investments**

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Audited)
Investments in trading securities - fair value	-	1,027,603
Investments in available-for-sale securities, cost	158,458	146,142
Add: Gain on changes in value of investments	444	1,165
Investments in available-for-sale securities, fair value	158,902	147,307
Others	440,295	600,170
Total	<u>599,197</u>	<u>1,775,080</u>

- 4.1 In 2015, the Company invested in ordinary shares of ASIA Capital Group Public Company Limited, a related company listed on the Market for Alternative Investment (MAI). The investment in these shares represents approximately 14 percent of that company's paid-up share capital, and some shareholders of the Company are also shareholders of this company. The Company has no intention to take part in the management of this company and has no influence over it. The investment was therefore presented as investment in available-for-sale-securities. Later, on 24 June 2016, a meeting of the Board of Directors passed a resolution to reclassify the current investment from available-for-sale securities to trading securities and adjust the investment to its fair value as at the reclassification date.

During the first quarter of the year 2017, the Company decided to reclassify this current investment back to available-for-sale securities, and considered this investment to be long-term investment, effective from 1 January 2017 because during the period of nearly 1 year after the reclassification of this investment, the volume of these shares traded by the Company was low and infrequent and assessment showed a lack of evidence to support the reclassification of this investment as trading securities. The Company recognised an unrealised gain on revaluation of the investment in the first quarter of the year 2017 of approximately Baht 109 million in shareholders' equity, directly through other comprehensive income, based on the latest bid price of the shares as of 30 December 2016 which was Baht 21.7 per share and the latest bid price of the shares as of the end of the first quarter of the year 2017 which was Baht 24.3 per share. As at 31 March 2017, the investment was presented at its fair value of Baht 1,044 million as disclosed in Note 10 to the interim consolidated financial statements.

In addition, during the first quarter of the year 2017, the Company decided to reclassify its investments in ordinary shares of unrelated companies from trading securities to available-for-sale securities, which are considered to be long-term investments, effective from 1 January 2017. The Company recognised unrealised losses on the revaluation of investments amounting to approximately Baht 7 million in the first quarter of the year 2017 in shareholders' equity by recording them directly through other comprehensive income based on the latest bid price of the shares of these companies as of 30 December 2016 and as of the end of the first quarter of 2017. As at 31 March 2017, the investments were presented at the fair value of Baht 99 million, as disclosed in Note 10 to the interim consolidated financial statements.

4.2 As at 31 December 2016, other current investments are bills of exchange carrying interest at rates of 5.4 and 5.9 percent per annum. Baht 450 million of these bills of exchange, which were issued by ASIA Capital Group Public Company Limited, a related company, are unsecured, and when these bills of exchange came due, the repayment period instead being extended until March 2017. In the first quarter of the year 2017, the related company made payment of Baht 120 million to the Company upon the maturity date while the remaining amount of Baht 330 million was extended to June 2017. In addition, the Company increased its investment in bills of exchange issued by this company by Baht 30 million with the additional bills maturing in May 2017. As a result, as at 31 March 2017, the outstanding balance of bills of exchange was Baht 360 million carrying interest at rates of 5.5 and 5.9 percent per annum. These bills of exchange are unsecured.

In addition, the Company has investments in bills of exchange issued by other companies, with outstanding balances totaling Baht 150 million as of 31 December 2016. During the first quarter of the year 2017, the Company received payment of Baht 70 million while the remaining Baht 80 million when they came due, the maturity dates instead extended to April 2017 and then to May 2017. These bills of exchange are also unsecured.

The Company decided to extend the maturity dates of these bills of exchange because the Company wants to manage its liquidity and is determining the uses of funds in accordance with its geothermal power generation project. The Company has assessed the creditworthiness of the issuers of these bills of exchange and believes that the bills of exchange will be settled in the future, without any default.

4.3 During the three-month period ended 31 March 2017, the Company sold available-for-sale securities with book value totaling Baht 254.0 million (2016: Baht 691.1 million) and recognised (after-tax) gains on the sales amounting to Baht 1.3 million (2016: Baht 0.3 million) in profit and loss.

(Unaudited but reviewed)

**5. Trade and other receivables/long-term receivables****5.1 Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	21,534	-	21,534	-
Past due				
Up to 3 months	16,335	-	16,335	-
Total trade receivables - related party	37,869	-	37,869	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	126,532	139,406	124,292	137,698
Past due				
Up to 3 months	22,052	23,505	22,052	23,505
3 - 6 months	4,036	1,244	4,036	1,244
6 - 12 months	2,332	2,710	2,332	2,710
Over 12 months	2,061	1,347	2,061	1,347
Total	157,013	168,212	154,773	166,504
Less: Allowance for doubtful debts	(6,410)	(4,679)	(6,410)	(4,679)
Total trade receivables - unrelated parties, net	150,603	163,533	148,363	161,825
Total trade receivables - net	188,472	163,533	186,232	161,825
<u>Other receivables</u>				
Account receivable from disposal of investments	2,710	24,989	2,710	24,989
Amounts due from related parties	579	161	2,111	2,108
Amount due from unrelated party	128	-	128	-
Interest receivable - related parties	1,239	1,016	35,936	24,897
Interest receivable - unrelated parties	32	30	32	30
Total other receivables	4,688	26,196	40,917	52,024
Total trade and other receivables - net	193,160	189,729	227,149	213,849

**5.2 Long-term receivables**

These represent the balance of long outstanding debts amounting to Baht 55 million due from various trade debtors against whom the Company has taken legal actions. As at 31 March 2017, the Company has set up an allowance for doubtful accounts amounting to Baht 55 million (31 December 2016: Baht 55 million) in its accounts by taking into consideration the auction price and the value of the related collaterals.

**6. Inventories**

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	31 March 2017	31 December 2016
		(Audited)
Cost	269,032	238,589
Less: Reduction of inventory to net realisable value	(13,755)	(16,054)
Inventories - net	<u>255,277</u>	<u>222,535</u>

Movements in the reduction of inventory to net realisable value account during the three-month period ended 31 March 2017 is summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2017	16,054
Reversal of reduction of inventory to net realisable value	(2,299)
Balance as at 31 March 2017	<u>13,755</u>

## 7. Restricted bank deposits

These represent fixed deposits pledged with the banks to guaranteed electricity use.

## 8. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
		(Audited)		(Audited)		(Audited)		(Audited)
<b>Subsidiaries directly held by the Company</b>								
Tluxe Global Business Co., Ltd.	3,000	3,000	3,000	3,000	-	-	3,000	3,000
Tluxe Power Co., Ltd.	100,000	100,000	100,000	100,000	(100,000)	(100,000)	-	-
Investments in subsidiaries directly held by the Company - net			103,000	103,000	(100,000)	(100,000)	3,000	3,000
<b>Subsidiary held through Tluxe Power Co., Ltd.</b>								
Tluxe Investments Limited	10*	10*	-	-	-	-	-	-
<b>Subsidiary held through Tluxe Investments Limited</b>								
Tluxe Holdings Limited	10*	10*	-	-	-	-	-	-
<b>Subsidiaries held through Tluxe Holdings Limited</b>								
PPSN Co., Ltd.	12,000**	12,000**	-	-	-	-	-	-
Sumo Power Co., Ltd.	1,000**	1,000**	-	-	-	-	-	-
<b>Subsidiary held through PPSN Co., Ltd</b>								
Otomeyama Energy Co., Ltd.	-	500**	-	-	-	-	-	-
<b>Subsidiaries held through Sumo Power Co., Ltd</b>								
Otomeyama Energy Co., Ltd.	500**	-	-	-	-	-	-	-
S-Power Co., Ltd.	500**	500**	-	-	-	-	-	-
SNS Power Co., Ltd.	500**	500**	-	-	-	-	-	-
Total investments in subsidiaries - net			103,000	103,000	(100,000)	(100,000)	3,000	3,000

\* Unit: Thousand US dollar

\*\* Unit: Thousand Yen

## 8.1 Subsidiaries directly held by the Company

### 8.1.1 Nippon Food Products Company Limited

On 24 June 2016, a meeting of the Board of Directors of the Company passed a resolution to approve the Company's sale of all of the Company's 55 percent holding in the ordinary shares of Nippon Food Products Company Limited to an unrelated company. The value of the transaction is Baht 34 million. On 15 July 2016, the Company entered into the "Sale and Purchase Agreement" with the buyer in order to execute this transaction and received payment of 50 percent on the contract date. The remaining balance is to be paid in six installments, beginning in November 2016, and late payment interest rate at a rate of 5 percent per annum will apply. The Company will transfer the remaining ordinary shares upon receipt of payment per the contract. As at 31 March 2017, this outstanding balance of approximately Baht 1 million (31 December 2016: Baht 11 million) is recorded as account receivable from disposal of investments.

Subsequently, in April 2017, the buyer made payment in full, and the Company is in the process of transferring the remaining shares to the buyer.

Revenues and expenses relating to the discontinued operation from disposal of investments in a subsidiary for the three-month period ended 31 March 2016 was detailed below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	For the three-month period ended 31 March 2016
	<hr/>
Revenue from sales and services	62,666
Other revenues	244
Cost of sales and services	(58,405)
Selling expenses	(1,127)
Administrative expenses	(7,141)
Finance cost	(505)
Income tax revenue	94
	<hr/>
<b>Loss from discontinued operation for the period</b>	<b>(4,174)</b>
	<hr/>

## **8.2 Subsidiaries indirectly held by the Company**

### **8.2.1 PPSN Company Limited (held by Tluxe Holdings Limited)**

On 11 May 2016, the Company acquired all ordinary shares of PPSN Company Limited, which is engaged in geothermal power generation business in Japan, amounting to approximately JPY 280 million (Baht 90 million). In June 2016, the Company sold the total ordinary shares of PPSN Company Limited to Tluxe Holdings Limited, a subsidiary, amounting to Baht 90 million. Therefore, the Company deems that PPSN Company Limited is a subsidiary of the group company since 11 May 2016 onwards.

As at 31 December 2016, one power plant under PPSN Company Limited was already operated and the other 2 power plants are under the operating preparation process and power purchase agreements have not yet been made with customers.

As at 31 March 2017, the subsidiary has no significant progress in the geothermal power plant project further from the end of prior year.

### **8.2.2 Sumo Power Company Limited (held by Tluxe Holdings Limited)**

(a) In September 2016, Tluxe Holdings Limited, a subsidiary, invested in ordinary shares of Sumo Power Company Limited, which is engaged in geothermal power generation business in Japan, amounting to approximately JPY 495 million (Baht 165 million). As at 31 December 2016, one power plant under Sumo Power Company Limited was already operated and the other 8 power plants are under the operating preparation process and power purchase agreements have not yet been made with customers.

As at 31 March 2017, the subsidiary has no significant progress in the geothermal power plant project further from the end of prior year.

(b) In March 2017, Sumo Power Company Limited acquired all 50 ordinary shares of Otomeyama Energy Company Limited, which was incorporated in Japan, at a price of JPY 10,000 per share, or for a total of JPY 500,000 from PPSN Company Limited.

### **8.2.3 SNS Power Company Limited (held by Sumo Power Company Limited)**

As at 31 March 2017, SNS Power Company Limited had invested in the purchase of one operational power plant, the power purchase agreements are in the process of being transferred from the seller to this subsidiary.

## **8.3 Dividend income**

During the three month periods ended 31 March 2017 and 2016, no dividend was received from the investments in subsidiaries.

(Unaudited but reviewed)

## 9. Investments in associate

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements	
			Carrying amounts based on	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(%)	(%)		(Audited)
<b>Associate held through PPSN Co., Ltd.</b>				
M-Luxe Energy Co., Ltd.	25	25	364	532
Total			364	532

9.1 On 24 June 2016, a meeting of the Board of Directors of the Company passed a resolution to approve the Company's sale of all of the Company's 45 percent holding in the ordinary shares of NPP Food Incorporation Company Limited to an unrelated company. The value of the transaction is Baht 45 million. On 15 July 2016, the Company entered into the "Sale and Purchase Agreement" with the buyer in order to execute this transaction and received payment of 50 percent on the contract date. The remaining balance is to be paid in 6 installments, beginning in November 2016, and late payment interest rate at a rate of 5 percent per annum will apply. The Company will transfer the remaining ordinary shares upon receipt of payment per the contract. As at 31 March 2017, this outstanding balance of approximately Baht 2 million (31 December 2016: Baht 14 million) is recorded as account receivable from disposal of investments.

Subsequently, in April 2017, the buyer made payment in full and the Company is in the process of transferring the remaining ordinary shares to the buyer.

9.2 For the three-month period ended 31 March 2017, the Company has recognised its share of loss from investments in associate in the interim consolidated financial statements amounting to Baht 0.2 million (2016: Baht 2.7 million).

(Unaudited but reviewed)

## 10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	31 March 2017	31 December 2016 (Audited)
Held-to-maturity securities	2,000	2,000
Investments in available-for-sale securities, cost	1,040,634	-
Add: Gain on changes in value of investments	102,283	-
Investments in available-for-sale securities, fair value	1,142,917	-
Other investments, cost	5,000	5,000
Less: Provision for impairment of investment	(1,550)	(1,550)
Other investments, net	3,450	3,450
Total	1,148,367	5,450

During the current period, the Company reclassified current investments from trading securities to available-for-sale securities and treated them as long-term investments, as mentioned in Note 4.1 to the interim consolidated financial statements.

During the three-month period ended 31 March 2017, the Company sold available-for-sale securities with book value totaling Baht 17.9 million and recognised (after tax) gains on the sale amounting to Baht 3.4 million.

## 11. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2017</b>	908,688	701,879
Acquisitions during period - at cost	93,437	20,730
Disposals during period - net book value at disposals date	(565)	(565)
Depreciation for period	(21,550)	(18,744)
Exchange difference on translation adjustment	(196)	-
<b>Net book value as at 31 March 2017</b>	979,814	703,300

(Unaudited but reviewed)

## 12. Intangible assets

Movements of the intangible assets accounts during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	75,093	8,252
Acquisitions during period	12,997	402
Amortisation for the period	(1,536)	(308)
Exchange difference on translation adjustment	(55)	-
Net book value as at 31 March 2017	<u>86,499</u>	<u>8,346</u>

## 13. Advances payment

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
Advance payment for construction of geothermal power plants	-	76,064	-	-
Advance payment for construction of wind power plants	65,858	7,699	-	-
Advance payment for hot spring rights	48,040	57,278	-	-
Advance payment for assets	<u>10,800</u>	<u>3,600</u>	<u>10,800</u>	<u>3,600</u>
Total	<u>124,698</u>	<u>144,641</u>	<u>10,800</u>	<u>3,600</u>

(Unaudited but reviewed)

#### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - related party	16,498	-	16,498	-
Trade payables - unrelated parties	110,011	75,320	108,022	73,966
Other payables - related parties	971	979	-	-
Other payables - unrelated parties	10,508	10,261	7,229	7,265
Other payables for purchases of machinery	5,253	447	5,253	447
Accrued interest - related party	5	47	-	-
Accrued interest - unrelated parties	11,338	11,834	11,338	11,834
Accrued expenses - unrelated parties	24,275	21,861	23,463	21,656
Total trade and other payables	<u>178,859</u>	<u>120,749</u>	<u>171,803</u>	<u>115,168</u>

#### 15. Debentures

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	31 March 2017	31 December 2016
		(Audited)
Debentures	1,486,200	1,486,200
Less: Deferred arrangement fee for debentures	(8,360)	(10,420)
Debentures - net of arrangement fee	<u>1,477,840</u>	<u>1,475,780</u>
Less: Portion due within one year	(497,627)	(496,718)
Debentures - net of current portion	<u><u>980,213</u></u>	<u><u>979,062</u></u>

(Unaudited but reviewed)

As at 31 March 2017, the balance of the debentures issued by the Company is Baht 1,486 million, consists of registered, unsubordinated and unsecured debentures, which do not have a debenture holders' representative. Such debentures were offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Issue date	Units	Par value per unit	Total value	Interest rate	Maturity date
		(Baht)	(Million Baht)	(% per annum)	
18 February 2016	500,000	1,000	500	5.5	20 November 2017
30 April 2016	386,200	1,000	386	5.4	30 April 2018
28 July 2016	200,000	1,000	200	5.0	30 July 2018
5 August 2016	400,000	1,000	400	5.0	5 August 2018

During the current period, there was no movement of debentures.

The conditions regarding the rights and obligations of the debenture issuer stipulate certain covenants, pertaining to matters such as the maintenance of financial ratios.

## 16. Income tax

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Corporate income tax charge for the period	36	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	4,787	5,986	4,715	6,080
Less: Deferred tax revenue of discontinued operation	-	94	-	-
Total deferred tax	4,787	6,080	4,715	6,080
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>4,823</u>	<u>6,080</u>	<u>4,715</u>	<u>6,080</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	<u>17,825</u>	<u>1,267</u>

## 17. Earnings per share

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

The following table sets forth the computation of basic earnings (loss) per share for the three-month periods ended 31 March 2017 and 2016:

	<u>For the three-month periods ended 31 March</u>			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Earnings per share</b>				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(12,912)	(8,889)	6,667	(2,871)
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.02)	(0.02)	0.01	(0.01)
<b>Earnings per share from continued operation</b>				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(12,912)	(7,261)	6,667	(2,871)
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.02)	(0.01)	0.01	(0.01)

## **18. 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 chief operating decision maker has been identified as Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and have three reportable segments as follows:

1. Aquatic animal feed segment
2. Pets food segment
3. Production and distribution of electricity segment

(Unaudited but reviewed)

The following tables present revenue and loss information regarding the Company's and its subsidiaries' operating segments for the three-month periods ended 31 March 2017 and 2016, respectively.

(Unit: Million Baht)

**For the three-month periods ended 31 March**

	Domestic				Overseas									
	Aquatic animal feed		Pets food		Manufacturing and distributing frozen food		Production and distribution of electricity		Total segments		Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue form external customers	350	320	45	20	-	-	6	-	401	340	-	-	401	340
<b>Total revenues</b>	<b>350</b>	<b>320</b>	<b>45</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>401</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>340</b>
<b>Results</b>														
<b>Segment profit (loss)</b>	10	8	1	(3)	-	-	(5)	-	6	5	-	-	6	5
Gain (loss) on investments in securities													5	(4)
Interest income													9	10
Other income (expenses)													(6)	3
Share of loss from investments in associates													-	(3)
Finance cost													(22)	(12)
<b>Loss before income tax expenses</b>													(8)	(1)
Income tax expenses													(5)	(6)
<b>Loss for the period from continued operation</b>													(13)	(7)
Loss from discontinued operation for the period					-	(4)							-	(4)
<b>Loss for the period</b>													(13)	(11)

## **19. Commitments and contingent liabilities**

### **19.1 Power purchase agreements**

As at 31 March 2017, the overseas subsidiaries entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

### **19.2 Hot springs service agreement**

As at 31 March 2017, the overseas subsidiaries have commitments in respect of power plant hot springs service agreements made with an unrelated company, amounting to approximately JPY 0.4 million per month per power plant for periods of 15 years from the commercial operation dates.

### **19.3 Power plant operation and maintenance agreement**

As at 31 March 2017, an overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately JPY 0.1 million per month per power plant for periods of 5 years starting from a project awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

### **19.4 Property rights of land agreement**

As at 31 March 2017, an overseas subsidiary has commitments in respect of property rights of land agreement with an unrelated company to operate in a project of electricity production from wind power amounting to approximately JPY 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

### **19.5 Capital commitments**

As at 31 March 2017, the Company had capital commitments of approximately Baht 6 million (31 December 2016: Baht 17 million), relating to the construction of building, acquisition and installation of machinery and equipment. In addition, the overseas subsidiaries had capital commitments of approximately JPY 1,918 million (31 December 2016: JPY 1,918 million), relating to the construction of power plant.

### **19.6 Purchase of raw material commitment**

As at 31 March 2017, the Company had no commitments in respect of the purchase of raw materials for aquatic animal feed (31 December 2016: had commitments approximately JPY 9 million).

**19.7 Lease and services commitments**

The Company has entered into several lease agreements in respect of office building space and service agreement and vehicle rental. The terms of the agreements are generally between 1 and 2 years.

Future minimum lease payments required under these non-cancellable leases and services contracts were as follows.

	(Unit: Million Baht)	
	31 March 2017	31 December 2016
Payable:		
In up to 1 year	7	7
In over 1 and up to 2 years	3	4

**19.8 Guarantees**

As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 8 million (31 December 2016: Baht 8 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 relating to guarantee electricity use.

**20. Financial instruments****20.1 Foreign currency risk**

The significant outstanding balances of the Company and its subsidiaries' financial liabilities denominated in foreign currencies are as follows:

Foreign currencies	Financial liabilities		Average exchange rate	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1	1	34.45	35.83
Japanese yen	-	3	-	0.31

The foreign exchange contracts outstanding are summarised below.

31 March 2017			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.9	34.45 - 35.85	28 April 2017 - 29 September 2017
31 December 2016			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.7	34.79 - 35.64	14 March 2017 - 16 June 2017

## 20.2 Fair value hierarchy

As of 31 March 2017 and 31 December 2016, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Financial assets measured at fair value</b>								
Held for trade investments								
Equity instruments	-	1,027,603	-	-	-	-	-	1,027,603
Available-for-sale investments								
Equity instruments	1,142,917	-	-	-	-	-	1,142,917	-
Debt instruments*	-	-	158,902	147,307	-	-	158,902	147,307
Other current investments								
Bill of exchanges	-	-	440,295	600,170	-	-	440,295	600,170

\* Level 2 - The fair value determined by using the net asset value as published by the Asset Management.

During the current period, there was no transfer within the fair value hierarchy.

## 21. Event after the reporting period

On 28 April 2017, the Annual General Meeting of Shareholders No. 1/2560 passed a resolution approving the issuance and offering of debentures of the Company in the amount not exceeding Baht 2,000 million.

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 15 May 2017.