

Thai Luxe Enterprises Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and six-month periods ended 30 June 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 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 the interim consolidated financial statements.

1. Investment in available-for-sale securities (as at 30 June 2017 amounting to approximately Baht 804 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, subsequently, 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 the investment as trading securities. This investment therefore was reclassified again as available-for-sale securities, and is considered a long-term investments, effective from 1 January 2017. An unrealised gain on revaluation of the investment during the six-month period ended 30 June 2017 (net of the effect of the issue of warrants by that company in this quarter) of approximately Baht 3 million was recorded in shareholders' equity directly through other comprehensive income, based on the difference between 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 second quarter of the year 2017 which was Baht 18.6 per share.

The outstanding balance of this investment as at 30 June 2017 is approximately Baht 804 million, and represents 45% 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 30 June 2017 amounting to approximately Baht 360 million and Baht 80 million)

2.1 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. 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 repayment terms of the remaining amount of Baht 330 million have been extended a number of times as the bills came due. As of the date of this report, the maturity dates have been extended to August and September 2017. In addition, in the first quarter of the year 2017, the Company made additional investment of Baht 30 million in a bill of exchange issued by this company, maturing in May 2017, and the repayment term was extended until July 2017. As a result, as at 30 June 2017 the outstanding balance of bills of exchange was Baht 360 million, representing 20% of the net asset value of the Group. These bills of exchange are unsecured (In July and August 2017, settlement of bills of exchange of Baht 155 million was received).

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 informed us that it has assessed the creditworthiness of the issuer 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.

2.2 In addition, the Company had 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 maturity dates of the remaining Baht 80 million have been extended a number of times. As of the date of this report, the maturity date has been extended to August 2017. This bill of exchange is also unsecured. The Company informed us that the extensions of the repayment periods were granted for the same reason as mentioned in 2.1. The Company has informed us that it has assessed the creditworthiness of the issuer of this bill of exchange and believes that it will be settled in the future, without any default. Settlement of this bill of exchange depends on the ability of the borrower to make payment.

3. Investments in the geothermal power plant projects in Japan (as at 30 June 2017 - recorded as various types of assets such as property, plant and equipment, intangible assets, advances payments, and goodwill with a net value of approximately Baht 409 million after deducting impairment provision of Baht 188 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. 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 and second quarter of the year 2017, those subsidiaries reported operating losses and the Company informed us that the progress of the projects is still the same as that of last year, i.e. out of 12 units of power plants under the investment plan, 2 units are currently operational, while the remaining 10 units are preparing for operation. In addition, another subsidiary company, SNS Power Company Limited, has acquired another operating power plant. During the first and second quarter of the year 2017, there were 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. Investment in these projects has been recorded under various types of assets in the consolidated statement of financial position, with a net value of approximately Baht 409 million after deducting impairment provision of Baht 188 million. The recoverability of these investments depends on the successful completion of these projects and the operating results of the projects in the future.

4. Additional sources of funds

On 28 April 2017, the Annual General Meeting of Shareholders passed a resolution approving the issuance and offering of debentures of the Company in the amount not exceeding Baht 2,000 million for use in funding investment and the future operations. In July 2017, the Company issued and offered of debentures amounting to Baht 1,000 million bearing interest at a rate of 6.25 percent per annum. The debenture was subscribed of Baht 261 million.

Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 15 August 2017

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets					
Current assets					
Cash and cash equivalents		227,654	73,202	18,637	25,353
Current investments	4				
Trading securities		-	1,027,603	-	1,027,603
Available-for-sale securities		91,339	147,307	91,339	147,307
Others		440,500	600,170	440,500	600,170
Trade and other receivables	3, 5	313,304	189,729	358,924	213,849
Inventories	6	273,086	222,535	273,086	222,535
Other current assets		17,353	21,415	6,008	5,717
Total current assets		1,363,236	2,281,961	1,188,494	2,242,534
Non-current assets					
Restricted bank deposits	7	7,761	7,724	7,761	7,724
Investments in subsidiaries	8	-	-	3,000	3,000
Investments in associate	9	163	532	-	-
Other long-term investments	10	921,038	5,450	921,038	5,450
Long-term receivables	5	-	-	-	-
Loans to related parties	3	75,915	61,590	768,648	539,360
Investment properties		10,376	10,376	10,376	10,376
Property, plant and equipment	11	1,024,278	908,688	698,466	701,879
Intangible assets	12	82,985	75,093	8,497	8,252
Deferred tax assets		35,686	43,129	30,273	37,456
Goodwill		17,036	19,082	-	-
Advances payment	13	68,971	144,641	21,600	3,600
Other non-current assets		11,232	11,042	4,769	5,182
Total non-current assets		2,255,441	1,287,347	2,474,428	1,322,279
Total assets		3,618,677	3,569,308	3,662,922	3,564,813

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 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 14	191,437	120,749	184,514	115,168
Short-term loans from related party	3	-	1,540	-	-
Current portion of debentures	15	883,026	496,718	883,026	496,718
Current portion of liabilities under long-term lease agreements		1,793	918	1,793	918
Income tax payable		27,232	116	27,163	-
Other current liabilities		6,872	10,016	5,945	2,848
Total current liabilities		1,110,360	630,057	1,102,441	615,652
Non-current liabilities					
Debentures - net of current portion	15	596,948	979,062	596,948	979,062
Liabilities under long-term lease agreements, net of current portion		4,001	1,492	4,001	1,492
Deferred tax liabilities		97,771	127,677	96,615	126,466
Provision for long-term employee benefits		12,805	11,674	12,805	11,674
Total non-current liabilities		711,525	1,119,905	710,369	1,118,694
Total liabilities		1,821,885	1,749,962	1,812,810	1,734,346

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 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2017</u>	<u>31 December 2016</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
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	652,956	673,824	701,576	679,035
Other components of shareholders' equity	<u>(6,663)</u>	<u>(4,977)</u>	<u>(1,963)</u>	<u>933</u>
Total shareholders' equity	<u>1,796,792</u>	<u>1,819,346</u>	<u>1,850,112</u>	<u>1,830,467</u>
Total liabilities and shareholders' equity	<u>3,618,677</u>	<u>3,569,308</u>	<u>3,662,922</u>	<u>3,564,813</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		439,777	341,295	432,952	341,278
Gain on investments in securities		-	45,442	-	45,442
Interest income		7,227	10,167	18,932	12,599
Gain on exchange		-	12,013	-	2,321
Other income		5,185	1,545	3,719	2,957
Total revenues		452,189	410,462	455,603	404,597
Expenses					
Cost of sales		363,156	290,649	357,285	290,649
Selling expenses		16,280	9,365	16,279	9,365
Administrative expenses		46,550	43,365	40,492	40,959
Loss on investments in securities		895	-	895	-
Loss on impairment of investments in subsidiary		-	-	-	4,389
Loss on exchange		10,023	-	1,845	-
Total expenses		436,904	343,379	416,796	345,362
Profit before share of loss from investments in associates, finance cost and income tax expenses		15,285	67,083	38,807	59,235
Share of loss from investments in associates	9.2	(199)	(12,507)	-	-
Profit before finance cost and income tax expenses		15,086	54,576	38,807	59,235
Finance cost		(22,136)	(17,739)	(22,136)	(17,747)
Profit (loss) before income tax expenses		(7,050)	36,837	16,671	41,488
Income tax expenses	16	(906)	(5,488)	(797)	(5,488)
Profit (loss) from continued operation for the period		(7,956)	31,349	15,874	36,000
Discontinued operation					
Loss from discontinued operation for the period	8.1	-	(3,229)	-	-
Profit (loss) for the period		(7,956)	28,120	15,874	36,000
Other comprehensive income:					
<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		(1,733)	1,823	-	-
Gain (loss) on changes in value of available-for-sale investments - net of income tax		(86,633)	571	(86,633)	571
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(88,366)	2,394	(86,633)	571
Other comprehensive income for the period		(88,366)	2,394	(86,633)	571
Total comprehensive income for the period		(96,322)	30,514	(70,759)	36,571

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 30 June 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	(7,956)	31,349	15,874	36,000
Loss from discontinued operation	-	(1,112)	-	-
	<u>(7,956)</u>	<u>30,237</u>	<u>15,874</u>	<u>36,000</u>
Non-controlling interests of the subsidiaries				
Loss from discontinued operation	-	(2,117)	-	-
	<u>-</u>	<u>(2,117)</u>	<u>-</u>	<u>-</u>
	<u>(7,956)</u>	<u>28,120</u>		
	-	-		
Total comprehensive income attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	(96,322)	33,743	(70,759)	36,571
Loss from discontinued operation	-	(1,112)	-	-
	<u>(96,322)</u>	<u>32,631</u>	<u>(70,759)</u>	<u>36,571</u>
Non-controlling interests of the subsidiaries				
Loss from discontinued operation	-	(2,117)	-	-
	<u>-</u>	<u>(2,117)</u>	<u>-</u>	<u>-</u>
	<u>(96,322)</u>	<u>30,514</u>		
	-	-		
Earnings per share				
	17			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	<u>(0.01)</u>	<u>0.05</u>	<u>0.03</u>	<u>0.06</u>
Earnings per share from continued operation				
	17			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	<u>(0.01)</u>	<u>0.06</u>	<u>0.03</u>	<u>0.06</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 comprehensive income

For the six-month period ended 30 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		840,442	681,655	827,290	681,627
Gain on investments in securities		3,836	40,891	3,836	40,891
Interest income		16,146	19,742	38,664	21,973
Gain on exchange		-	14,132	-	4,440
Other income		8,698	2,054	7,226	4,962
Total revenues		869,122	758,474	877,016	753,893
Expenses					
Cost of sales		700,052	575,515	688,967	575,515
Selling expenses		29,414	18,295	29,413	18,295
Administrative expenses		91,631	84,513	79,522	81,688
Loss on impairment of investments in subsidiary		-	-	-	4,389
Loss on exchange		18,994	-	7,262	-
Total expenses		840,091	678,323	805,164	679,887
Profit before share of loss from investments in associates, finance cost and income tax expenses					
Share of loss from investments in associates	9.2	(367)	(15,193)	-	-
Profit before finance cost and income tax expenses		28,664	64,958	71,852	74,006
Finance cost		(43,803)	(29,302)	(43,799)	(29,309)
Profit (loss) before income tax expenses		(15,139)	35,656	28,053	44,697
Income tax expenses	16	(5,729)	(11,568)	(5,512)	(11,568)
Profit (loss) from continued operation for the period		(20,868)	24,088	22,541	33,129
Discontinued operation					
Loss from discontinued operation for the period	8.1	-	(7,403)	-	-
Profit (loss) for the period		(20,868)	16,685	22,541	33,129
Other comprehensive income:					
<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		1,210	1,823	-	-
Gain (loss) on changes in value of available-for-sale investments - net of income tax		(2,896)	5,639	(2,896)	5,639
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,686)	7,462	(2,896)	5,639
Other comprehensive income for the period		(1,686)	7,462	(2,896)	5,639
Total comprehensive income for the period		(22,554)	24,147	19,645	38,768

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 six-month period ended 30 June 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	(20,868)	24,088	22,541	33,129
Loss from discontinued operation	-	(2,740)	-	-
	<u>(20,868)</u>	<u>21,348</u>	<u>22,541</u>	<u>33,129</u>
Non-controlling interests of the subsidiaries				
Loss from discontinued operation	-	(4,663)	-	-
	<u>-</u>	<u>(4,663)</u>		
	<u>(20,868)</u>	<u>16,685</u>		
	-	-		
Total comprehensive income attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	(22,554)	31,550	19,645	38,768
Loss from discontinued operation	-	(2,740)	-	-
	<u>(22,554)</u>	<u>28,810</u>	<u>19,645</u>	<u>38,768</u>
Non-controlling interests of the subsidiaries				
Loss from discontinued operation	-	(4,663)	-	-
	<u>-</u>	<u>(4,663)</u>		
	<u>(22,554)</u>	<u>24,147</u>		
	-	-		
Earnings per share				
	17			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company				
	<u>(0.04)</u>	<u>0.04</u>	<u>0.04</u>	<u>0.06</u>
Earnings per share from continued operation				
	17			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company				
	<u>(0.04)</u>	<u>0.04</u>	<u>0.04</u>	<u>0.06</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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other comprehensive income							
					Exchange							
					differences on translation of financial statements in foreign currency							
					Surplus (deficit) on changes in value of available-for-sale investments							
					Surplus on changes in interests in a subsidiary							
					Total other components of shareholders' equity							
					Total equity attributable to owners of the Company							
					Equity attributable to non-controlling interests of the subsidiaries							
					Total shareholders' equity							
Issued and fully paid-up share capital	Share premium - ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		statements in foreign currency	available-for-sale investments	in a subsidiary	shareholders' equity	owners of the Company	interests of the subsidiaries	Total shareholders' equity	
			Appropriated	Unappropriated								
Balance as at 1 January 2016	563,051	489,124	41,479	56,845	432,752	-	(5,279)	3,678	(1,601)	1,581,650	12,451	1,594,101
Profit (loss) for the period	-	-	-	-	21,348	-	-	-	-	21,348	(4,663)	16,685
Other comprehensive income for the period	-	-	-	-	-	1,823	5,639	-	7,462	7,462	-	7,462
Total comprehensive income for the period	-	-	-	-	21,348	1,823	5,639	-	7,462	28,810	(4,663)	24,147
Subsidiary's share capital increase	-	-	-	-	-	-	-	-	-	-	11,250	11,250
Balance as at 30 June 2016	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>454,100</u>	<u>1,823</u>	<u>360</u>	<u>3,678</u>	<u>5,861</u>	<u>1,610,460</u>	<u>19,038</u>	<u>1,629,498</u>
Balance as at 1 January 2017	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	-	-	-	-	(20,868)	-	-	-	-	(20,868)	-	(20,868)
Other comprehensive income for the period	-	-	-	-	-	1,210	(2,896)	-	(1,686)	(1,686)	-	(1,686)
Total comprehensive income for the period	-	-	-	-	(20,868)	1,210	(2,896)	-	(1,686)	(22,554)	-	(22,554)
Balance as at 30 June 2017	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>652,956</u>	<u>(4,700)</u>	<u>(1,963)</u>	<u>-</u>	<u>(6,663)</u>	<u>1,796,792</u>	<u>-</u>	<u>1,796,792</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 (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Separate financial statements								
						Other components of shareholders' equity			
						Other		Total other components of shareholders' equity	Total shareholders' equity
						comprehensive income			
Issued and fully paid-up share capital	Share premium - ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments				
			Appropriated	Unappropriated					
Balance as at 1 January 2016	563,051	489,124	41,479	56,845	451,979	(5,279)	(5,279)	1,597,199	
Profit for the period	-	-	-	-	33,129	-	-	33,129	
Other comprehensive income for the period	-	-	-	-	-	5,639	5,639	5,639	
Total comprehensive income for the period	-	-	-	-	33,129	5,639	5,639	38,768	
Balance as at 30 June 2016	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>485,108</u>	<u>360</u>	<u>360</u>	<u>1,635,967</u>	
Balance as at 1 January 2017	563,051	489,124	41,479	56,845	679,035	933	933	1,830,467	
Profit for the period	-	-	-	-	22,541	-	-	22,541	
Other comprehensive income for the period	-	-	-	-	-	(2,896)	(2,896)	(2,896)	
Total comprehensive income for the period	-	-	-	-	22,541	(2,896)	(2,896)	19,645	
Balance as at 30 June 2017	<u>563,051</u>	<u>489,124</u>	<u>41,479</u>	<u>56,845</u>	<u>701,576</u>	<u>(1,963)</u>	<u>(1,963)</u>	<u>1,850,112</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 six-month period ended 30 June 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>
Cash flows from operating activities				
Profit (loss) before tax from continued operation	(15,139)	35,656	28,053	44,697
<u>Add: Loss before tax from discontinued operation</u>	<u>-</u>	<u>(7,453)</u>	<u>-</u>	<u>-</u>
Profit (loss) before tax	(15,139)	28,203	28,053	44,697
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	47,305	51,568	38,720	46,994
Amortisation of deferred arrangement fee for bill of exchanges	-	915	-	915
Amortisation of deferred arrangement fee for debenture	4,194	3,250	4,194	3,250
Bad debts	448	1,292	448	1,292
Allowance for doubtful accounts	1,790	61	1,790	61
Reversal of reduction of inventories to net realisable value	(6,390)	(10,100)	(6,390)	(10,198)
Write-off inventories	972	-	972	-
Unrealised gain on revaluation of trading securities	-	(39,855)	-	(39,855)
Loss on sales of trading securities	-	1,214	-	1,214
Gain on sales of available-for-sale securities	(3,836)	(2,250)	(3,836)	(2,250)
Write-off on fixed assets	-	44	-	44
Loss (gain) on sales of equipment	(2,283)	66	(1,718)	80
Loss on impairment of investments in subsidiary	-	-	-	4,389
Share of loss from investments in associate	367	15,193	-	-
Provision for long-term employee benefits	1,131	1,168	1,131	1,013
Dividend income from investments in available-for-sale securities	(122)	(119)	(122)	(119)
Unrealised loss (gain) on exchange	4,878	(4,119)	3,019	(4,138)
Interest income	(16,146)	(21,513)	(38,664)	(21,973)
Interest expenses	<u>38,800</u>	<u>26,461</u>	<u>38,796</u>	<u>25,401</u>
Profit from operating activities before changes in operating assets and liabilities	55,969	51,479	66,393	50,817
Operating assets (increase) decrease				
Trade and other receivables/long-term receivables	(150,494)	(3,411)	(149,468)	2,091
Inventories	(45,133)	131,857	(45,133)	133,404
Other current assets	9,745	12,772	(291)	(2,197)
Other non-current assets	(190)	(738)	413	(589)
Operating liabilities increase (decrease)				
Trade and other payables	66,723	(36,138)	65,339	(23,642)
Other current liabilities	<u>(6,088)</u>	<u>1,318</u>	<u>153</u>	<u>411</u>
Cash flows from (used in) operating activities	(69,468)	157,139	(62,594)	160,295
Cash paid for interest expenses	(38,836)	(10,561)	(38,790)	(9,496)
Cash paid for income tax	<u>(410)</u>	<u>(412)</u>	<u>(293)</u>	<u>(268)</u>
Net cash flows from (used in) operating activities	<u>(108,714)</u>	<u>146,166</u>	<u>(101,677)</u>	<u>150,531</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 (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in restricted bank deposit	(37)	(36)	(37)	(36)
Purchases of current investments - trading securities	-	(16,684)	-	(16,684)
Cash receipt from sales of trading securities	-	20,795	-	20,795
Purchases of current investments - available-for-sale securities	(591,517)	(1,425,864)	(591,517)	(1,425,864)
Cash receipt from sales of available-for-sale securities	759,716	929,125	759,716	929,125
Increase in other current investments	(80,603)	(600,000)	(80,603)	(600,000)
Decrease in other current investments	241,327	384,107	241,327	220,000
Increase in short-term loans to related party	-	-	-	(978)
Cash receipt from repayment of short-term loans to related party	-	-	-	160,000
Increase in short-term loans to unrelated party	-	(119,438)	-	(119,887)
Increase in loans to related parties	(15,541)	-	(229,288)	-
Decrease in share payable	-	(22,500)	-	(22,500)
Acquisition of investments in subsidiaries	-	(89,455)	-	(100,000)
Cash received from disposal of investments in subsidiary	10,867	-	10,867	-
Cash received from disposal of investments in associate	14,122	-	14,122	-
Cash paid for share deposits	-	(46,659)	-	(46,659)
Acquisition of property, plant and equipment	(80,225)	(18,308)	(27,246)	(13,096)
Proceed from sales of equipment	2,283	147	2,283	133
Acquisition of intangible assets	(853)	(519)	(853)	(422)
Cash paid in advance for machinery	-	(1,030)	-	-
Cash paid in advance for acquisition of assets	(18,000)	(3,600)	(18,000)	(3,600)
Dividend receipt from investments in available-for-sale securities	122	119	122	119
Interest income	14,710	18,193	14,702	11,796
Net cash flows from (used in) investing activities	256,371	(991,607)	95,595	(1,007,758)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(59,640)	-	(70,000)
Decrease in trust receipts	-	(77,859)	-	(77,859)
Decrease in short-term loans from related party	(1,540)	-	-	-
Decrease in short-term loans from unrelated parties	-	(95,110)	-	(95,110)
Cash receipt from debentures	-	1,069,309	-	1,069,309
Repayment of liabilities under long-term lease agreements	(634)	(502)	(634)	(502)
Net cash flows from (used in) financing activities	(2,174)	836,198	(634)	825,838
Increase (decrease) in translation adjustments	8,969	(9,765)	-	-
Net increase (decrease) in cash and cash equivalents	154,452	(19,008)	(6,716)	(31,389)
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	-	(13,904)	-	-
Cash and cash equivalents at end of period	227,654	75,580	18,637	61,215
	-	-	-	-

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 six-month period ended 30 June 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>
Supplemental cash flows information				
Non-cash items				
Reclassification of current investments in trading securities				
to available-for-sale securities	1,027,603	-	1,027,603	-
Reclassification of current investments in available-for-sale securities				
to trading securities	-	270,599	-	270,599
Movement in balances of short-term loans to unrelated party				
due to acquisition of investments in subsidiary	-	220,820	-	220,820
Acquisition of subsidiary for which paid in advance	-	-	-	13,750
Acquisition of power plants for which paid in advance	76,163	-	-	-
Acquisition of intangible assets for which paid in advance	11,179	-	-	-
Acquisition of equipment that have not yet been paid	4,076	2,117	4,076	1,667
Assets acquired under long-term lease agreements	3,942	486	3,942	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 and six-month periods ended 30 June 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 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	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	-	-	-	2	Contract prices
Interest income	-	-	13	3	3 to 8 percent per annum
<u>Transactions with associated company</u>					
Interest income	1	-	-	-	3 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	48	-	48	-	Cost plus contract rate
Interest income	5	-	5	-	6 percent per annum
Purchase of raw materials	18	-	18	-	Market prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	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	-	-	-	3	Contract prices
Interest income	-	-	24	4	3 and 8 percent per annum
<u>Transactions with associated company</u>					
Interest income	1	-	-	-	3 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	93	-	93	-	Cost plus contract rate
Interest income	12	-	12	-	6 percent per annum
Purchase of raw materials	37	-	37	-	Market prices

The balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and its related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Audited)		(Audited)
<u>Other current investments - related party</u>				
(Note 4)				
Related party (common shareholders and the Company is a shareholder)	360,000	450,000	360,000	450,000
Total other current investments - related party	<u>360,000</u>	<u>450,000</u>	<u>360,000</u>	<u>450,000</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	50,036	26,434
Associate	2,268	605	-	-
Related party (common director and shareholders)	10,509	-	10,509	-
Related party (common shareholders and the Company is a shareholder)	922	571	922	571
Related party (director of subsidiaries)	-	1	-	-
Total trade and other receivables - related parties	<u>13,699</u>	<u>1,177</u>	<u>61,467</u>	<u>27,005</u>

Trade and other payables - related parties

(Note 14)

Related party (common director)	4	47	-	-
Related party (common director and shareholders)	11,288	-	11,288	-
Related party (director of subsidiaries)	731	979	-	-
Total trade and other payables - related parties	<u>12,023</u>	<u>1,026</u>	<u>11,288</u>	<u>-</u>

Loans to related party

As at 30 June 2017, the balance of loans between the Company and a related party 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 30 June 2017
M-Luxe Energy Co., Ltd	Associate	61,590	15,541	(1,216)	75,915
Total		<u>61,590</u>	<u>15,541</u>	<u>(1,216)</u>	<u>75,915</u>

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements		
Loans to related parties	Related by	Balance as at 1 January 2017	Increase during the period	Balance as at 30 June 2017
Tluxe Power Co., Ltd.	Subsidiary	166,659	-	166,659
PPSN Co., Ltd.	Subsidiary	440,972	229,288	670,260
Sumo Power Co., Ltd.	Subsidiary	83,729	-	83,729
Total		691,360	229,288	920,648
Less: Allowance for impairment		(152,000)	-	(152,000)
Loan to related parties - net		539,360	229,288	768,648

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 30 June 2017, the balance of loans between the Company and a related party and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		
Loans from related party	Related by	Balance as at 1 January 2017	Decrease during the period	Balance as at 30 June 2017
Dual Energy Co., Ltd.	Common director	1,540	(1,540)	-
Total		1,540	(1,540)	-

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Short-term employee benefits	4,200	3,261	3,089	3,041
Post-employment benefits	213	250	213	247
Other long-term benefits	1	1	1	1
Total	4,414	3,512	3,303	3,289

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	8,547	6,623	6,323	6,132
Post-employment benefits	441	500	441	495
Other long-term benefits	1	2	1	2
Total	<u>8,989</u>	<u>7,125</u>	<u>6,765</u>	<u>6,629</u>

Employee benefit expenses payable to their directors and management of discontinued operation for the three-month and six-month periods ended 30 June 2016 amounting to Baht 0.2 million and Baht 0.5 million, respectively.

4. Current investments

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	<u>30 June 2017</u>	<u>31 December 2016</u>
		(Audited)
Investments in trading securities - fair value	-	1,027,603
Investments in available-for-sale securities, cost	91,290	146,142
Add: Gain on changes in value of investments	49	1,165
Investments in available-for-sale securities, fair value	91,339	147,307
Others	440,500	600,170
Total	<u>531,839</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 investments 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 investments, 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 during the six-month period ended 30 June 2017 (net of the effect of the issue of warrants by that company in this quarter) of approximately Baht 3 million in shareholders' equity, directly through other comprehensive income, based on the difference between 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 second quarter of the year 2017 which was Baht 18.6 per share. As at 30 June 2017, the investment was presented at its fair value of Baht 804 million as disclosed in the 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 the unrealised losses on the revaluation of investments during the six-month period ended 30 June 2017 of approximately Baht 5 million in shareholders' equity by recording them directly through other comprehensive income based on the difference between the latest bid price of the shares of these companies as of 30 December 2016 and as of the end of the second quarter of 2017. As at 30 June 2017, the fair values of these investments amounted to Baht 99 million as disclosed in the 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. 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 repayment terms of the remaining amounts of Baht 330 million have been extended a number of times until August and September 2017. In addition, in the first quarter of the year 2017, the Company made additional investment of Baht 30 million in a bill of exchange issued by this company, maturing in May 2017, and the repayment term was extended until July 2017. As a result, as at 30 June 2017, the outstanding balance of these bills of exchange was Baht 360 million, and they carry interest at rates of 5.5 and 5.9 percent per annum. These bills of exchange are unsecured. Subsequently, in July and August 2017, settlement of bills of exchange of Baht 155 million was received.

In addition, the Company has investments in bills of exchange issued by other companies, with outstanding balance 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 maturity dates of the remaining Baht 80 million have been extended a number of times until August 2017. This bill of exchange is 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 and six-month periods ended 30 June 2017, the Company sold available-for-sale securities with book value totaling Baht 477.9 million and Baht 731.9 million, respectively (2016: Baht 310.0 million and Baht 929.1 million, respectively) and recognised (after tax) gains on the sales amounting to Baht 1.1 million and Baht 2.4 million, respectively (2016: Baht 0.5 million and Baht 0.8 million, respectively) in profit and loss.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016 (Audited)	30 June 2017	31 December 2016 (Audited)
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	10,509	-	10,525	-
Total trade receivables - related party	10,509	-	10,525	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	152,834	139,406	150,686	137,698
Past due				
Up to 3 months	16,920	23,505	16,920	23,505
3 - 6 months	4,579	1,244	4,579	1,244
6 - 12 months	3,728	2,710	3,728	2,710
Over 12 months	1,790	1,347	1,790	1,347
Total	179,851	168,212	177,703	166,504
Less: Allowance for doubtful debts	(7,808)	(4,679)	(7,808)	(4,679)
Total trade receivables - unrelated parties, net	172,043	163,533	169,895	161,825
Total trade receivables - net	182,552	163,533	180,420	161,825
<u>Other receivables</u>				
Account receivable from disposal of investments	127,528	24,989	127,528	24,989
Amounts due from related parties	791	161	2,088	2,108
Interest receivable - related parties	2,399	1,016	48,854	24,897
Interest receivable - unrelated parties	34	30	34	30
Total other receivables	130,752	26,196	178,504	52,024
Total trade and other receivables - net	313,304	189,729	358,924	213,849

5.2 Long-term receivables

These represent the balance of long outstanding debts amounting to Baht 54 million (31 December 2016: Baht 55 million) due from various trade debtors against whom the Company has taken legal actions. As at 30 June 2017, the Company has set up an allowance for doubtful accounts amounting to Baht 54 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	
	30 June 2017	31 December 2016
		(Audited)
Cost	283,722	238,589
Less: Reduction of inventory to net realisable value	(10,636)	(16,054)
Inventories - net	<u>273,086</u>	<u>222,535</u>

Movements in the reduction of inventory to net realisable value account during the six-month period ended 30 June 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	(5,418)
Balance as at 30 June 2017	<u>10,636</u>

7. Restricted bank deposits

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

(Unaudited but reviewed)

8. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)							
	Paid-up capital		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
		(Audited)		(Audited)		(Audited)		(Audited)
Subsidiaries directly held by the Company								
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
Subsidiary held through Tluxe Power Co., Ltd.								
Tluxe Investments Limited	10*	10*	-	-	-	-	-	-
Subsidiary held through Tluxe Investments Limited								
Tluxe Holdings Limited	10*	10*	-	-	-	-	-	-
Subsidiaries held through Tluxe Holdings Limited								
PPSN Co., Ltd.	12,000**	12,000**	-	-	-	-	-	-
Sumo Power Co., Ltd.	1,000**	1,000**	-	-	-	-	-	-
Subsidiary held through PPSN Co., Ltd								
Otomeyama Energy Co., Ltd.	-	500**	-	-	-	-	-	-
Subsidiaries held through Sumo Power Co., Ltd								
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 would transfer the remaining ordinary shares upon receipt of payment per the contract. During the second quarter of the current year the buyer made payment in full, and the Company has already transferred 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 and six-month periods ended 30 June 2016 was detailed below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month period ended 30 June 2016	For the six-month period ended 30 June 2016
Revenue from sales and services	82,487	145,153
Other revenues	436	680
Cost of sales and services	(76,292)	(134,697)
Selling expenses	(2,158)	(3,285)
Administrative expenses	(7,102)	(14,244)
Finance cost	(556)	(1,060)
Income tax revenue (expense)	(44)	50
Loss from discontinued operation for the period	(3,229)	(7,403)

8.2 Subsidiaries indirectly held by the Company

8.2.1 PPSN Company Limited (held by Tluxe Holdings Limited)

- (a) 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 unit of power plant under PPSN Company Limited was already operated and the other 2 units of power plants are under the operating preparation process and power purchase agreements have not yet been made with customers.

As at 30 June 2017, the subsidiary has no significant progress in the geothermal power plant project further from the end of prior year.

- (b) On 27 June 2017, a meeting of the Board of Directors of the Company passed a resolution to approve the investments in the geothermal power generation business in Japan through the acquisition of the business which was incorporated in Japan, with total project value of JPY 2,450 million (Baht 756 million). On 28 June 2017, PPSN Company Limited has signed an investment proposal letter with a seller.

Subsequently, on 3 July 2017, this subsidiary paid a deposit equal to 20% of the total project cost, amounting to JPY 490 million (Baht 150 million).

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 unit of power plant under Sumo Power Company Limited was already operated and the other 8 units of power plants are under the operating preparation process and power purchase agreements have not yet been made with customers.

As at 30 June 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)

In March 2017, SNS Power Company Limited had invested in the purchase of one operational power plant.

8.3 Dividend income

During the three-month and six-month periods ended 30 June 2017 and 2016, no dividend was received from the investments in subsidiaries.

9. Investments in associate

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements	
			Carrying amounts based on	
			equity method	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(%)	(%)		(Audited)
Associate held through PPSN Co., Ltd.				
M-Luxe Energy Co., Ltd.	25	25	163	532
Total			163	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 was 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 was 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 would transfer the remaining ordinary shares upon receipt of payment per the contract. During the second quarter of the current year the company was received in full, and the Company has already transferred the remaining shares to the buyer.
- 9.2 For the three-month and six-month periods ended 30 June 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 and Baht 0.4 million, respectively (2016: Baht 13 million and Baht 15 million, respectively).

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2017	31 December 2016
		(Audited)
Held-to-maturity securities	2,000	2,000
Investments in available-for-sale securities, cost	918,091	-
Less: Loss on changes in value of investments	(2,503)	-
Investments in available-for-sale securities, fair value	915,588	-
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	921,038	5,450

- 10.1 During the first quarter of the year 2017, the Company reclassified the investment in ordinary shares of ASIA Capital Group Public Company Limited, a related company, and the investments in ordinary shares of unrelated companies from current investments - 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.
- 10.2 During the three-month and six-month periods ended 30 June 2017, the Company sold available-for-sale securities with book value totaling Baht 134.4 million and Baht 152.4 million, respectively and recognised (after tax) losses on the sale amounting to Bath 2.0 million for three-month period ended 30 June 2017 and recognised (after tax) gains on the sale amounting to Bath 1.4 million for six-month period ended 30 June 2017.

(Unaudited but reviewed)

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	908,688	701,879
Acquisitions during period - at cost	164,406	35,264
Disposals during period - net book value at disposals date	-	(565)
Depreciation for period	(44,210)	(38,112)
Exchange difference on translation adjustment	(4,606)	-
Net book value as at 30 June 2017	<u>1,024,278</u>	<u>698,466</u>

12. Intangible assets

Movements of the intangible assets accounts during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	75,093	8,252
Acquisitions during period	12,032	853
Amortisation for the period	(3,095)	(608)
Exchange difference on translation adjustment	(1,045)	-
Net book value as at 30 June 2017	<u>82,985</u>	<u>8,497</u>

13. Advances payment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Advance payment for construction of geothermal power plants	-	76,064	-	-
Advance payment for construction of wind power plants	-	7,699	-	-
Advance payment for hot spring rights	47,371	57,278	-	-
Advance payment for assets	21,600	3,600	21,600	3,600
Total	<u>68,971</u>	<u>144,641</u>	<u>21,600</u>	<u>3,600</u>

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
Trade payables - related party	11,153	-	11,153	-
Trade payables - unrelated parties	125,194	75,320	125,194	73,966
Other payables - related party	731	979	-	-
Other payables - unrelated parties	14,150	10,261	8,381	7,265
Other payables for purchases of assets	4,076	447	4,076	447
Accrued interest - related party	4	47	-	-
Accrued interest - unrelated parties	11,764	11,834	11,764	11,834
Accrued expenses - related party	135	-	135	-
Accrued expenses - unrelated parties	24,230	21,861	23,811	21,656
Total trade and other payables	<u>191,437</u>	<u>120,749</u>	<u>184,514</u>	<u>115,168</u>

15. Debentures

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2017	31 December 2016
		(Audited)
Debentures	1,486,200	1,486,200
Less: Deferred arrangement fee for debentures	<u>(6,226)</u>	<u>(10,420)</u>
Debentures - net of arrangement fee	1,479,974	1,475,780
Less: Portion due within one year	<u>(883,026)</u>	<u>(496,718)</u>
Debentures - net of current portion	<u>596,948</u>	<u>979,062</u>

(Unaudited but reviewed)

As at 30 June 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 and six-month periods ended 30 June 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	27,491	-	27,456	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(26,585)	5,532	(26,659)	5,488
Less: Deferred tax expense of discontinued operation	-	(44)	-	-
Total deferred tax	(26,585)	5,488	(26,659)	5,488
Income tax expenses reported in the statements of comprehensive income	<u>906</u>	<u>5,488</u>	<u>797</u>	<u>5,488</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	27,527	-	27,456	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(21,798)	11,518	(21,944)	11,568
Add: Deferred tax revenue of discontinued operation	-	50	-	-
Total deferred tax	<u>(21,798)</u>	<u>11,568</u>	<u>(21,944)</u>	<u>11,568</u>
Income tax expenses reported in the statements of comprehensive income	<u>5,729</u>	<u>11,568</u>	<u>5,512</u>	<u>11,568</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June	
	Consolidated/Separate financial statements	
	<u>2017</u>	<u>2016</u>
Deferred tax relating to loss (gain) on changes in value of available-for-sale investments	<u>18,549</u>	<u>(143)</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	Consolidated/Separate financial statements	
	<u>2017</u>	<u>2016</u>
Deferred tax relating to loss (gain) on changes in value of available-for-sale investments	<u>724</u>	<u>(1,410)</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 per share for the three-month and six-month periods ended 30 June 2017 and 2016:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Earnings per share				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(7,956)	30,237	15,874	36,000
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.01)	0.05	0.03	0.06
Earnings per share from continued operation				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(7,956)	31,349	15,874	36,000
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.01)	0.06	0.03	0.06

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Earnings per share				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(20,868)	21,348	22,541	33,129
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.04)	0.04	0.04	0.06
Earnings per share from continued operation				
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(20,868)	24,088	22,541	33,129
Weighted average number of ordinary shares (Thousand shares)	563,051	563,051	563,051	563,051
Earnings (loss) per share (Baht)	(0.04)	0.04	0.04	0.06

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 profit (loss) information regarding the Company's and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 June															
	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 from external customers	384	320	48	21	-	-	7	-	439	341	-	-	439	341		
Total revenue	384	320	48	21	-	-	7	-	439	341	-	-	439	341		
Results																
Segment profit (loss)	18	2	1	(2)	-	-	(5)	(3)	14	(3)	-	1	14	(2)		
Gain (loss) on investments in securities													(1)	45		
Interest income													7	10		
Other income (expense)													(5)	13		
Share of loss from investments in associates													-	(13)		
Finance cost													(22)	(17)		
Profit (loss) before income tax expenses													(7)	36		
Income tax expenses													(1)	(5)		
Profit (loss) from continued operation													(8)	31		
Loss from discontinued operation					-	(3)							-	(3)		
Profit (loss) for the period													(8)	28		

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June													
	Domestic						Overseas							
	Aquatic animal feed		Pets food		Manufacturing and distributing frozen food		Production and distribution of electricity		Total segments		Eliminations		Consolidated	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue from external customers	734	641	93	41	-	-	13	-	840	682	-	-	840	682
Total revenue	734	641	93	41	-	-	13	-	840	682	-	-	840	682
Results														
Segment profit (loss)	27	6	2	(5)	-	-	(10)	(3)	19	(2)	-	5	19	3
Gain on investments in securities													4	41
Interest income													16	20
Other income (expense)													(10)	16
Share of loss from investments in associates													-	(15)
Finance cost													(44)	(29)
Profit (loss) before income tax expenses													(15)	36
Income tax expenses													(6)	(12)
Profit (loss) from continued operation													(21)	24
Loss from discontinued operation					-	(7)							-	(7)
Profit (loss) for the period													(21)	17

19. Commitments and contingent liabilities

19.1 Power purchase agreements

As at 30 June 2017, the overseas subsidiaries entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from the scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

19.2 Hot springs service agreement

As at 30 June 2017, an overseas subsidiary has 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 30 June 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 a maximum duration of 15 years, under the same conditions.

19.4 Property rights of land agreement

As at 30 June 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 30 June 2017, the Company had capital commitments of approximately Baht 4 million (31 December 2016: Baht 17 million), relating to the construction of buildings, acquisition and installation of machinery and equipment. In addition, the overseas subsidiaries had capital commitments of approximately JPY 1,935 million (31 December 2016: JPY 1,918 million), relating to the construction of power plants.

19.6 Purchase of raw material commitment

As at 30 June 2017, the Company had purchase commitments of USD 1 million (31 December 2016: JPY 9 million) in respect of the purchase of raw materials for aquatic animal feed.

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)	
	30 June 2017	31 December 2016
Payable:		
In up to 1 year	8	7
In over 1 and up to 2 years	2	4

19.8 Guarantees

As at 30 June 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1	1	33.98	35.83
Japanese yen	-	3	-	0.31

The foreign exchange contracts outstanding are summarised below.

30 June 2017			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.0	34.09 - 35.80	12 July 2017 - 7 December 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 30 June 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	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
Financial assets measured at fair value								
Held for trade investments								
Equity instruments	-	1,027,603	-	-	-	-	-	1,027,603
Available-for-sale investments								
Equity instruments	915,588	-	-	-	-	-	915,588	-
Debt instruments*	-	-	91,339	147,307	-	-	91,339	147,307
Other current investments								
Bill of exchanges	-	-	440,500	600,170	-	-	440,500	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

- 21.1 On 28 April 2017, the Annual General Meeting of Shareholders passed a resolution approving the issuance and offering of debentures of the Company in the amount not exceeding Baht 2,000 million for use in funding investment and the future operations. In July 2017, the Company issued and offered of debentures amounting to Baht 1,000 million bearing interest at a rate of 6.25 percent per annum. The debenture was subscribed of Baht 261 million.
- 21.2 On 2 August 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in a geothermal power generation business in Japan through the acquisition of a business registered in Japan, with a total project value of JPY 600 million (Baht 183 million). The meeting also passed a resolution to approve an investment in wind power in Japan, with a project value of JPY 36 million (Baht 11 million).
- 21.3 On 8 August 2017, the Company issued Baht 180 million of promissory note with a local bank. The promissory note mature on 8 November 2017 and bear interest at a rate of 4.6 percent per annum.
- 21.4 On 8 August 2017, Tluxe Investments Limited registered the incorporation of the subsidiaries in Hong Kong Special Administrative Region, name of Geothermal Power A Company Limited and Geothermal Power B Company Limited, to invest in energy business. Tluxe Investments Limited holds a 100 percent interest in these subsidiaries.

22. Approval of interim financial statements

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