

Amata VN Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Amata VN Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Amata VN Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Amata VN Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amata VN Public Company Limited and its subsidiaries and of Amata VN Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 27.3 of the consolidated financial statements regarding contingent liabilities from additional charges for land rental payables of an overseas subsidiary. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue from sales of real estate and revenue from utility services are significant accounts of the Group because the amounts that are recognised directly affect gain/loss of the Group. Therefore, I have focused the recognition of revenue from sales of real estate and revenue from utility services to ensure that revenue from sales of real estate and revenue from utility services are recognized in accordance with the relevant accounting standards.

I have collaborated with the overseas subsidiaries' auditors in auditing to ensure that the Group recognised the revenue in proper period by assessing the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period. I also performed analytical procedures to detect possible irregularities in sales transactions throughout the period.

Prepayment for land-use rights

As described in Note 16 to the consolidated financial statements, the subsidiary has prepayment for land-use rights amounting to Baht 3,717 million. Major costs are advance payments for land-use rights made by an overseas subsidiary in Vietnam for industrial estate development which is in process of transferring the land-use rights to the subsidiary. In addition, the management had to exercise significant judgement with respect to cost which directly relates to project development. Thus, I have focused on related cost to ensure that the transactions are recognised in accordance with the relevant accounting standards.

I have collaborated with the overseas subsidiaries' auditors in assessing and testing the internal controls of the subsidiary relating to advance payment for land-use rights and development costs, and auditing the payment approval including selecting supporting documents and reviewing related contracts. Besides, I reviewed the proper classification of financial statements and disclosure in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent audit's report.

Supanee Triyanantakul
Certified Public Accountant (Thailand) No. 4498

EY Office Limited
Bangkok: 12 February 2018

Amata VN Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	626,191,671	418,157,503	77,962,441	216,393,415
Current investments - deposit with financial institutions	8	-	14,400,000	-	-
Trade and other receivables	9	165,645,969	128,365,754	2,881,304	64,334
Real estate development costs	10	399,655,290	544,616,156	-	-
Other current assets		44,204,724	39,902,877	51,396	209,911
Total current assets		1,235,697,654	1,145,442,290	80,895,141	216,667,660
Non-current assets					
Investments in subsidiaries	11	-	-	1,788,344,031	1,771,972,818
Investments in related company	12	71,758,862	71,758,862	-	-
Investment properties	13	696,969,093	750,898,783	-	-
Buildings and equipment	14	119,858,609	142,549,002	38,300	66,214
Advance payment to Vietnam government	15	195,003,758	-	-	-
Prepayment for land-use rights	16	3,717,024,337	3,219,309,056	-	-
Other non-current assets		59,835,931	47,702,972	59,482,887	46,871,665
Total non-current assets		4,860,450,590	4,232,218,675	1,847,865,218	1,818,910,697
Total assets		6,096,148,244	5,377,660,965	1,928,760,359	2,035,578,357

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

Amata VN Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		-	598,019,218	-	-
Trade and other payables	17	128,201,687	78,989,122	26,525,291	84,282,824
Current portion of long-term loans	18	118,535,621	60,000,000	60,000,000	60,000,000
Current portion of revenue received in advance		23,193,716	26,010,797	-	-
Income tax payable		2,737,063	12,211,172	-	-
Land rental payables	19	-	334,634,271	-	-
Total current liabilities		<u>272,668,087</u>	<u>1,109,864,580</u>	<u>86,525,291</u>	<u>144,282,824</u>
Non-current liabilities					
Long-term loans, net of current portion	18	2,237,050,894	658,800,000	130,000,000	190,000,000
Rental deposits and advance received					
from customers		135,321,073	123,761,478	-	-
Revenue received in advance		25,579,973	35,708,966	-	-
Deferred tax liabilities	22	297,176,952	266,897,840	-	-
Other non-current liabilities		10,694,667	5,713,550	3,708,760	2,528,003
Total non-current liabilities		<u>2,705,823,559</u>	<u>1,090,881,834</u>	<u>133,708,760</u>	<u>192,528,003</u>
Total liabilities		<u>2,978,491,646</u>	<u>2,200,746,414</u>	<u>220,234,051</u>	<u>336,810,827</u>

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

Amata VN Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Shareholders' equity					
Share capital					
Registered					
935,000,000 ordinary shares of Baht 0.50 each		<u>467,500,000</u>	<u>467,500,000</u>	<u>467,500,000</u>	<u>467,500,000</u>
Issued and fully paid					
935,000,000 ordinary shares of Baht 0.50 each		467,500,000	467,500,000	467,500,000	467,500,000
Share premium		1,117,734,742	1,117,734,742	1,117,734,742	1,117,734,742
Other surplus		971,318,033	971,318,033	-	-
Retained earnings					
Appropriated - statutory reserve	20	21,431,000	17,931,000	21,431,000	17,931,000
Unappropriated		586,762,169	268,476,748	101,860,566	95,601,788
Other components of shareholders' equity		<u>(278,466,415)</u>	<u>113,783,383</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>2,886,279,529</u>	<u>2,956,743,906</u>	<u>1,708,526,308</u>	<u>1,698,767,530</u>
Non-controlling interests of the subsidiary		<u>231,377,069</u>	<u>220,170,645</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>3,117,656,598</u>	<u>3,176,914,551</u>	<u>1,708,526,308</u>	<u>1,698,767,530</u>
Total liabilities and shareholders' equity		<u>6,096,148,244</u>	<u>5,377,660,965</u>	<u>1,928,760,359</u>	<u>2,035,578,357</u>
		-	-	-	-

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

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 Directors

Amata VN Public Company Limited and its subsidiary

Income statement

For the year ended 31 December 2017

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues					
Revenue from real estate sales		642,309,036	355,616,160	-	-
Revenue from rental and utility services		454,660,391	470,360,223	-	-
Dividend income	11	-	-	108,700,601	316,219,930
Gains on sales of investment properties		41,643,981	-	-	-
Interest income		13,236,301	22,383,346	2,472,259	20,285,497
Other income		19,091,430	47,961,452	-	16,151,072
Total revenues		<u>1,170,941,139</u>	<u>896,321,181</u>	<u>111,172,860</u>	<u>352,656,499</u>
Expenses					
Cost of real estate sales		163,527,952	100,833,776	-	-
Cost of rental and utility services		245,421,370	252,301,860	-	-
Selling expenses		13,141,856	8,900,830	-	-
Administrative expenses	19	61,389,871	100,518,908	33,442,324	26,548,565
Losses on exchange		133,239,443	-	8,829,047	-
Loss from adjusting present value of land rental payables	19	-	239,960,121	-	-
Other expenses		6,363,068	8,661,856	-	-
Total expenses		<u>623,083,560</u>	<u>711,177,351</u>	<u>42,271,371</u>	<u>26,548,565</u>
Profit before finance cost and income tax expenses		<u>547,857,579</u>	<u>185,143,830</u>	<u>68,901,489</u>	<u>326,107,934</u>
Finance cost		(9,603,431)	(32,757,103)	(11,567,693)	(68,880,960)
Profit before income tax expenses		<u>538,254,148</u>	<u>152,386,727</u>	<u>57,333,796</u>	<u>257,226,974</u>
Income tax expenses	22	(115,848,848)	(90,771,791)	-	-
Profit for the year		<u>422,405,300</u>	<u>61,614,936</u>	<u>57,333,796</u>	<u>257,226,974</u>
Profit attributable to:					
Equity holders of the Company		369,360,439	49,815,878	<u>57,333,796</u>	<u>257,226,974</u>
Non-controlling interests of the subsidiary		53,044,861	11,799,058		
		<u>422,405,300</u>	<u>61,614,936</u>		
Earnings per share					
Basic earnings per share	23				
Profit attributable to equity holders of the Company		<u>0.40</u>	<u>0.05</u>	<u>0.06</u>	<u>0.28</u>

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

Amata VN Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the year	<u>422,405,300</u>	<u>61,614,936</u>	<u>57,333,796</u>	<u>257,226,974</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of				
financial statements in foreign currency - net of income tax	<u>(422,076,819)</u>	<u>(2,357,824)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>(422,076,819)</u>	<u>(2,357,824)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial loss - net of income tax	<u>(826,268)</u>	<u>-</u>	<u>(826,268)</u>	<u>-</u>
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>(826,268)</u>	<u>-</u>	<u>(826,268)</u>	<u>-</u>
Other comprehensive income for the year	<u>(422,903,087)</u>	<u>(2,357,824)</u>	<u>(826,268)</u>	<u>-</u>
Total comprehensive income for the year	<u>(497,787)</u>	<u>59,257,112</u>	<u>56,507,528</u>	<u>257,226,974</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(23,715,627)</u>	<u>50,375,591</u>	<u>56,507,528</u>	<u>257,226,974</u>
Non-controlling interests of the subsidiary	<u>23,217,840</u>	<u>8,881,521</u>		
	<u>(497,787)</u>	<u>59,257,112</u>		

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

Amata VN Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2017

(Unit: 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 before income tax expenses	538,254,148	152,386,727	57,333,796	257,226,974
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	84,018,261	96,980,332	27,914	29,827
Reversal of allowance for doubtful accounts	(15,182,007)	-	-	-
Gains on sales of investment properties	(41,643,981)	-	-	-
Gains on sales of equipment	(761,515)	-	-	-
Loss from adjusting present value of land rental payables	-	239,960,121	-	-
Dividend income from investments in subsidiary	-	-	(108,700,601)	(316,219,930)
Provision for long-term employee benefits	354,488	(733,451)	354,489	(733,451)
Unrealised losses on exchange	33,101,053	706,965	4,606,020	873,386
Interest income	(13,236,301)	(22,383,346)	(2,472,259)	(20,285,497)
Interest expenses	<u>9,603,431</u>	<u>32,757,103</u>	<u>11,567,693</u>	<u>68,880,960</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	594,507,577	499,674,451	(37,282,948)	(10,227,731)
Operating assets (increase) decrease				
Trade and other receivables	(22,098,208)	(64,275,270)	(2,816,970)	-
Real estate development costs	(54,681,242)	(134,248,260)	-	-
Other current assets	(4,301,848)	31,817,773	161,645	(190,850)
Other non-current assets	(12,132,959)	(42,079,669)	(12,611,222)	(41,469,991)
Operating liabilities increase (decrease)				
Trade and other payables	<u>(287,154,847)</u>	<u>(9,511,384)</u>	<u>(19,755,138)</u>	<u>30,398,874</u>
Cash from (used in) operating activities	214,138,473	281,377,641	(72,304,633)	(21,489,698)
Cash paid for income tax	<u>(95,043,845)</u>	<u>(38,979,431)</u>	<u>(3,130)</u>	<u>(77,798)</u>
Net cash from (used in) operating activities	<u>119,094,628</u>	<u>242,398,210</u>	<u>(72,307,763)</u>	<u>(21,567,496)</u>

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

Amata VN Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: 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 investing activities				
Interest income	13,236,301	22,010,123	2,472,260	20,984,715
Decrease in current investment - deposits				
with financial institutions	14,400,000	227,449,600	-	-
Cash receipt from repayment of short-term loans to subsidiary	-	-	75,000,000	697,065,000
Increase in short-term loans to subsidiary	-	-	(75,000,000)	(697,065,000)
Cash paid for investments in subsidiary	-	-	-	(315,200,000)
Dividend income from investments in subsidiary	-	-	108,700,601	316,219,930
Acquisitions of investment properties	(117,345,215)	(309,853,872)	-	-
Proceeds from sales of investment properties	55,392,902	-	-	-
Acquisitions of buildings and equipment	(10,836,228)	(4,280,709)	-	(54,022)
Proceeds from sales of equipment	761,515	-	-	-
Increase in prepayment for land-use rights	(424,084,172)	(1,506,201,230)	-	-
Net cash from (used in) investing activities	<u>(468,474,897)</u>	<u>(1,570,876,088)</u>	<u>111,172,861</u>	<u>21,950,623</u>
Cash flows from financing activities				
Interest expenses	(81,599,051)	(51,734,869)	(49,570,089)	(32,604,387)
Decrease in short-term loans from financial institutions	(598,019,218)	(113,734,357)	-	(711,753,575)
Cash receipt from short-term loans from related parties	40,000,000	-	40,000,000	-
Repayment of short-term loans from related parties	(40,000,000)	-	(40,000,000)	-
Cash receipt from long-term loans	1,668,283,415	468,800,000	-	-
Repayment of long-term loans	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)
Cash paid for investments in subsidiaries	-	-	(16,371,213)	-
Dividend paid to the Company's shareholder	(46,748,750)	(140,250,000)	(46,748,750)	(140,250,000)
Dividend paid for non-controlling interest of the subsidiary	(12,011,416)	(32,156,340)	-	-
Net cash from (used in) financing activities	<u>869,904,980</u>	<u>70,924,434</u>	<u>(172,690,052)</u>	<u>(944,607,962)</u>
Decrease in translation adjustments	<u>(307,892,590)</u>	<u>(2,357,824)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	212,632,121	(1,259,911,268)	(133,824,954)	(944,224,835)
Unrealised losses on exchange for cash and cash equivalents	(4,597,953)	(706,965)	(4,606,020)	(873,386)
Cash and cash equivalents at beginning of year	<u>418,157,503</u>	<u>1,678,775,736</u>	<u>216,393,415</u>	<u>1,161,491,636</u>
Cash and cash equivalents at end of year	<u>626,191,671</u>	<u>418,157,503</u>	<u>77,962,441</u>	<u>216,393,415</u>
	-	-	-	-

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

Amata VN Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on ordinary shares	Surplus on share-based payment	Surplus on business combination under common control	Surplus on changes in shareholding of subsidiary	Total other surplus	Retained earnings		Other component of equity	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
							Appropriated	Unappropriated					
Balance as at 1 January 2016	467,500,000	1,117,734,742	22,442,281	846,330,720	102,545,032	971,318,033	5,516,985	371,324,885	113,223,670	3,046,618,315	243,445,464	3,290,063,779	
Profit for the year	-	-	-	-	-	-	-	49,815,878	-	49,815,878	11,799,058	61,614,936	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	559,713	559,713	(2,917,537)	(2,357,824)	
Total comprehensive income for the year	-	-	-	-	-	-	-	49,815,878	559,713	50,375,591	8,881,521	59,257,112	
Transferred retained earnings to statutory reserve	-	-	-	-	-	-	12,414,015	(12,414,015)	-	-	-	-	
Dividend paid to the Company's shareholders (Note 26)	-	-	-	-	-	-	-	(140,250,000)	-	(140,250,000)	-	(140,250,000)	
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(32,156,340)	(32,156,340)	
Balance as at 31 December 2016	467,500,000	1,117,734,742	22,442,281	846,330,720	102,545,032	971,318,033	17,931,000	268,476,748	113,783,383	2,956,743,906	220,170,645	3,176,914,551	
Balance as at 1 January 2017	467,500,000	1,117,734,742	22,442,281	846,330,720	102,545,032	971,318,033	17,931,000	268,476,748	113,783,383	2,956,743,906	220,170,645	3,176,914,551	
Profit for the year	-	-	-	-	-	-	-	369,360,439	-	369,360,439	53,044,861	422,405,300	
Other comprehensive income for the year	-	-	-	-	-	-	-	(826,268)	(392,249,798)	(393,076,066)	(29,827,021)	(422,903,087)	
Total comprehensive income for the year	-	-	-	-	-	-	-	368,534,171	(392,249,798)	(23,715,627)	23,217,840	(497,787)	
Transferred retained earnings to statutory reserve	-	-	-	-	-	-	3,500,000	(3,500,000)	-	-	-	-	
Dividend paid to the Company's shareholders (Note 26)	-	-	-	-	-	-	-	(46,748,750)	-	(46,748,750)	-	(46,748,750)	
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(12,011,416)	(12,011,416)	
Balance as at 31 December 2017	467,500,000	1,117,734,742	22,442,281	846,330,720	102,545,032	971,318,033	21,431,000	586,762,169	(278,466,415)	2,886,279,529	231,377,069	3,117,656,598	

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

Amata VN Public Company Limited and its subsidiary
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated	Unappropriated (deficit)	
Balance as at 1 January 2016	467,500,000	1,117,734,742	5,516,985	(8,961,171)	1,581,790,556
Profit for the year	-	-	-	257,226,974	257,226,974
Total comprehensive income for the year	-	-	-	257,226,974	257,226,974
Transferred retained earnings to statutory reserve	-	-	12,414,015	(12,414,015)	-
Dividend paid to the Company's shareholders (Note 26)	-	-	-	(140,250,000)	(140,250,000)
Balance as at 31 December 2016	<u>467,500,000</u>	<u>1,117,734,742</u>	<u>17,931,000</u>	<u>95,601,788</u>	<u>1,698,767,530</u>
					-
Balance as at 1 January 2017	467,500,000	1,117,734,742	17,931,000	95,601,788	1,698,767,530
Profit for the year	-	-	-	57,333,796	57,333,796
Other comprehensive income for the year	-	-	-	(826,268)	(826,268)
Total comprehensive income for the year	-	-	-	56,507,528	56,507,528
Transferred retained earnings to statutory reserve	-	-	3,500,000	(3,500,000)	-
Dividend paid to the Company's shareholders (Note 26)	-	-	-	(46,748,750)	(46,748,750)
Balance as at 31 December 2017	<u>467,500,000</u>	<u>1,117,734,742</u>	<u>21,431,000</u>	<u>101,860,566</u>	<u>1,708,526,308</u>
					-

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

Amata VN Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

1. General information

Amata VN Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Amata Corporation Public Company Limited, which was incorporated in Thailand. The Company is a holding company with an investment focus in the industrial estate development companies and other related business in Vietnam. The registered office of the Company is at 2126, New Petchburi Road, Bangkok, Huay Kwang, Bangkok.

The Company listed its ordinary shares on the Stock Exchange of Thailand on 16 December 2015.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Amata VN Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 Percent	2016 Percent
Amata City Bienhoa Joint Stock Company (ACBH) (formerly known as “Amata (Vietnam) Joint Stock Company”)	Industrial estate development	Vietnam	90.0	90.0
Amata City Long Thanh Joint Stock Company (ACLT) (35% held by the Company and 65% held by ACBH)	Industrial estate development	Vietnam	93.5	93.5
Amata Township Long Thanh Joint Stock Company (ATLT)	Industrial estate development	Vietnam	100.0	100.0

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and in shareholder’s equity of the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary companies under the cost method.

3. New financial reporting standards

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

During the year, the Company and 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

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenue from real estate sales

Revenue from sales of property interests under operating lease with infrastructure system are recognised as revenue in full when the significant risks and rewards of ownership are transferred to the buyer.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income

Rental income under operating lease agreement is recognised as an income on a straight-line basis over the lease term.

Dividends

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Real estate development costs

Property interests under operating lease with infrastructure systems are valued at the lower of specific cost or net realisable value. Cost included expenses directly related to real estate development and infrastructure systems (presented under to caption of “real estate development costs” in the consolidated financial statements).

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss.
- b) Investments in subsidiaries are presented in the separate financial statements using the cost method.

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

4.6 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 35 - 44 years. Depreciation of the investment properties is included in determining income.

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

4.7 Buildings and equipment / Depreciation

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

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

Buildings and installations	-	3 - 40	years
Machinery and equipment	-	2 - 7	years
Office equipment	-	3 - 5	years
Others	-	3 - 15	years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.

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

4.8 Prepayment for land-use rights

Prepayment for land-use rights is valued at the lower of specific cost and net realisable value. Cost included costs of land-use rights.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Related party transactions

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

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

4.11 Long-term leases

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

Leases of property, plant or equipment which was not transferred substantially all the risks and rewards of ownership are classified as operating lease. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using that the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets of the Company and its subsidiaries whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the contributions of the Company is recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the statement of other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company and its subsidiaries treat investments as impaired where other objective evidence of impairment exists by using discounted expected future cash flow received from investments with the appropriate discount rate and related risks.

Buildings and equipment, investment properties and depreciation

In determining depreciation of buildings and equipment, and investment properties, the management is required to make estimates of the useful lives and residual values of buildings and equipment, and investment properties and to review estimate useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with parent company</u>					
Other expenses	-	28	-	28	As agreed upon
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	108,701	316,220	According to the resolution of subsidiary's shareholders meeting
Interest income	-	-	1,935	13,071	5.00% and 5.30% per annum
Interest expenses	-	-	1,964	37,953	4.60% and 5.30% per annum
<u>Transactions with related companies</u>					
Revenue from rental and utility service	4,390	8,945	-	-	Contract price or as agreed upon
Electricity expenses	4,099	4,682	-	-	Market price
Interest expenses	289	-	289	-	2.75% per annum

As at 31 December 2017 and 2016, the balances of the accounts between the Company and its subsidiaries and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related party (Note 9)</u>				
<u>Related Company</u>				
Amata Power (Bien Hoa) Limited	30	-	-	-
Total	30	-	-	-
<u>Other receivables - related parties (Note 9)</u>				
<u>Subsidiary</u>				
(eliminated from the consolidated financial statements)				
Amata City Long Thanh Joint Stock Company	-	-	967	-
Amata Township Long Thanh Joint Stock Company	-	-	1,369	-
Total	-	-	2,336	-
<u>Trade payables - related party (Note 17)</u>				
<u>Related Company</u>				
Amata Power (Bien Hoa) Limited	376	382	-	-
Total	376	382	-	-
<u>Other payables - related parties (Note 17)</u>				
<u>Parent company</u>				
Amata Corporation Public Company Limited	19,443	19,458	19,443	19,458
<u>Subsidiary</u>				
(eliminated from the consolidated financial statements)				
Amata City Bienhoa Joint Stock Company	-	-	493	61,548
Total	19,443	19,458	19,936	81,006

Loan to and loans from between the Company, its subsidiary and related parties

As at 31 December 2017 and 2016, the balance of loans between the Company, its subsidiary and related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December			31 December
	2016	Increase	Decrease	2017
<u>Short-term loans from related parties</u>				
Amata Water Co., Ltd.	-	20,000	(20,000)	-
Amata Facility Services Co., Ltd.	-	20,000	(20,000)	-
Total	-	40,000	(40,000)	-

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December			31 December
	2016	Increase	Decrease	2017
<u>Short-term loans to subsidiary</u>				
(eliminated from the consolidated financial statements)				
Amata City Bienhoa Joint Stock Company	-	75,000	(75,000)	-
Total	-	75,000	(75,000)	-

Directors and management's benefits

During the year ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	28,683	23,103	15,861	8,926
Post-employment benefits	1,644	1,391	1,644	1,391
Total	30,327	24,494	17,505	10,317

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related party, as disclosed in Note 18 to the financial statements.

7. Cash and cash equivalents

(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	851	827	15	15
Bank deposits	625,341	417,331	77,947	216,378
Total	<u>626,192</u>	<u>418,158</u>	<u>77,962</u>	<u>216,393</u>

As at 31 December 2017, bank deposits carries interests between 0.2 percent and 5.5 percent per annum (2016: between 0.2 percent and 1.5 percent per annum) (the Company only: between 0.2 percent and 0.4 percent per annum, and 2016: between 0.2 percent and 1.5 percent per annum).

8. Current investments - deposit with financial institutions

As at 31 December 2016, current investments represent the amount of short-term deposit at banks in Vietnam of the subsidiaries with term of 3 months to 1 year and earns interest at the rate between 5.3 percent and 5.5 percent per annum for VND deposit.

9. Trade and other receivables

The outstanding balances of trade and other receivables as at 31 December 2017 and 2016 are as follows:

(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>
Trade receivables - related party (Note 6)	30	-	-	-
Trade receivables - unrelated parties	136,474	131,652	-	-
Other receivables - related party (Note 6)	-	-	2,336	-
Other receivables - unrelated parties	29,142	12,953	545	64
Total	<u>165,646</u>	<u>144,605</u>	<u>2,881</u>	<u>64</u>
Less: Allowance for doubtful debts	-	(16,239)	-	-
Total trade and other receivables - net	<u>165,646</u>	<u>128,366</u>	<u>2,881</u>	<u>64</u>

The balances of trade receivables as at 31 December 2017 and 2016, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Related party</u>				
Not yet due	30	-	-	-
Total trade receivables - related party	30	-	-	-
<u>Unrelated parties</u>				
Not yet due	129,216	107,450	-	-
Past due				
Up to 3 months	7,258	4,411	-	-
3 - 9 months	-	3,552	-	-
9 - 12 months	-	-	-	-
Over 12 months	-	16,239	-	-
Total	136,474	131,652	-	-
Less: Allowance for doubtful debts	-	(16,239)	-	-
Total trade receivables - unrelated parties - net	136,474	115,413	-	-
Total trade receivables - net	136,504	115,413	-	-

10. Real estate development costs

The balance represents the cost of real estate for development of the industrial estate, and other development cost such as land improvement cost and construction cost.

11. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year*	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Million VND)		(%)					
Amata City Bienhoa Joint								
Stock Company	365,996	365,996	90.0	90.0	745,019	745,019	108,701	316,220
Amata City Long Thanh								
Joint Stock Company	1,223,456	1,213,305	35.0	35.0	717,090	711,754	-	-
Amata Township Long Thanh								
Joint Stock Company	204,000	197,000	100.0	100.0	<u>326,235</u>	<u>315,200</u>	<u>-</u>	<u>-</u>
					<u>1,788,344</u>	<u>1,771,973</u>	<u>108,701</u>	<u>316,220</u>

*The subsidiaries pay dividend from profit reported in the official statutory financial statements under the law of Vietnam.

11.2 Details of investments in subsidiaries that have material non-controlling interests.

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		(Unit: Million Baht) Dividend paid to non-controlling interests during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(%)							
Amata City Bienhoa Joint								
Stock Company	10.0	10.0	255	220	47	9	12	32

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position as at 31 December 2017 and 2016.

	(Unit: Thousand Baht)	
	Amata City Bienhoa Joint Stock Company	
	<u>2017</u>	<u>2016</u>
Current assets	928,694	972,660
Non-current assets	2,355,653	2,227,809
Current liabilities	138,458	557,254
Non-current liabilities	575,861	426,368

Summarised information about comprehensive income for the year ended 31 December 2017 and 2016.

	(Unit: Thousand Baht)	
	Amata City Bienhoa Joint Stock Company	
	<u>2017</u>	<u>2016</u>
Revenue	1,177,790	922,105
Profit for the year	615,045	109,952
Other comprehensive income	(141,749)	(29,217)
Total comprehensive income	473,295	80,735

Summarised information about cash flow for the year ended 31 December 2017 and 2016.

	(Unit: Thousand Baht)	
	Amata City Bienhoa Joint Stock Company	
	<u>2017</u>	<u>2016</u>
Cash flow from operating activities	379,461	1,383,877
Cash flow used in investing activities	(268,269)	(1,320,174)
Cash flow used in financing activities	(82,800)	(240,081)
Decrease in translation adjustments	(21,855)	(918)
Net increase (decrease) in cash and cash equivalents	<u>6,537</u>	<u>(177,296)</u>

- 11.4 In the fourth quarter of the current year, the Company had additional investments in Amata City Long Thanh Joint Stock Company of Baht 2 million. The Company shareholdings in these companies are unchanged.
- 11.5 In the first quarter of the current year, the Company had additional investments in Amata City Long Thanh Joint Stock Company and Amata Township Long Thanh Joint Stock Company of Baht 3 million and Baht 11 million, respectively. The Company shareholdings in these companies are unchanged.
- 11.6 In 2016, the Company invested VND 197,000 million (equivalent to Baht 315 million) in the ordinary shares of Amata Township Long Thanh Joint Stock Company, a company established in Vietnam, and engaged in the industrial estate development (representing 100% of its call-up share capital). Therefore, the consolidated financial statements included the financial statements of Amata Township Long Thanh Joint Stock Company since 2016.

12. Investments in related company

The balance represents the amount of investment in Amata Power (Bien Hoa) Limited which engaged in the power plant in the industrial estate of Amata City Bienhoa Joint Stock Company, which holds 10% of the registered share capital of that company. Details of these investments are as follows:

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>2017</u>	<u>2016</u>
Investments in related company	91,759	91,759
Less: provision for impairment	(20,000)	(20,000)
Investments in related company – net	<u>71,759</u>	<u>71,759</u>

13. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>2017</u>	<u>2016</u>
Industrial zone	219,217	246,635
Ready built factories for lease	412,244	448,515
Construction in progress	65,508	55,749
Total	<u>696,969</u>	<u>750,899</u>

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

13.1 Industrial zone

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	246,635	5,398
Acquisitions of assets	8,438	247,091
Transfer from real estate development cost	545	-
Depreciation for the year	(5,572)	(5,854)
Translation adjustments	(30,829)	-
Net book value at end of year	<u>219,217</u>	<u>246,635</u>

13.2 Ready built factories for lease

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	448,514	459,176
Acquisitions of assets	11,474	1,008
Transfer from construction in progress	78,997	53,768
Transfer from real estate development cost	4,093	4,277
Disposals - net book value	(13,749)	-
Depreciation for the year	(61,022)	(69,714)
Translation adjustments	(56,063)	-
Net book value at end of year	<u>412,244</u>	<u>448,515</u>

13.3 Construction in progress

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	55,749	49,117
Acquisitions of assets	97,433	61,755
Transfer to real estate development cost	(1,708)	(1,355)
Transfer to ready built factories for lease	(78,997)	(53,768)
Translation adjustments	(6,969)	-
Net book value at end of year	<u>65,508</u>	<u>55,749</u>

The fair value of the investment properties as at 31 December 2017 and 2016 stated below:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Industrial zone and ready built factories for lease	1,425	1,869

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of property is not determined on the basis of market price due to the particular nature of the property and a lack of comparative information. The independent appraisers therefore used standard models to estimate the value of investment properties, such as the direct comparison method, discounted cash flow approach and the direct return estimation method, etc., which is the fair value measurement level 3 based on the fair value hierarchy. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rate.

14. Buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Buildings and installations	Machinery and equipment	Office equipment	Others	Total
Cost:					
1 January 2016	234,747	32,998	7,073	12,623	287,441
Additions	2,928	735	618	-	4,281
Transfers from real estate development cost	1,355	-	-	-	1,355
31 December 2016	239,030	33,733	7,691	12,623	293,077
Additions	755	308	-	9,773	10,836
Write-off	-	-	-	(2,576)	(2,576)
Transfers from real estate development cost	1,458	250	-	-	1,708
Translation adjustments	(29,815)	(4,158)	(748)	(1,552)	(36,273)
31 December 2017	211,428	30,133	6,943	18,268	266,772
Accumulated depreciation:					
1 January 2016	95,916	16,831	5,472	10,897	129,116
Depreciation for the year	16,328	3,544	762	778	21,412
31 December 2016	112,244	20,375	6,234	11,675	150,528
Depreciation for the year	13,173	3,028	702	521	17,424
Depreciation on write-off	-	-	-	(2,576)	(2,576)
Translation adjustments	(13,967)	(2,488)	(574)	(1,434)	(18,463)
31 December 2017	111,450	20,915	6,362	8,186	146,913
Net book value:					
31 December 2016	126,786	13,358	1,457	948	142,549
31 December 2017	99,978	9,218	581	10,082	119,859
Depreciation for the year					
2016 (Baht 16 million included in cost of rental and utility service, and the balance in selling and administrative expenses)					21,412
2017 (Baht 17 million included in cost of rental and utility service, and the balance in selling and administrative expenses)					17,424

(Unit: Thousand Baht)

	Separate financial statements	
	Office equipment	Total
Cost:		
1 January 2016	85	85
Additions	54	54
31 December 2016	139	139
31 December 2017	139	139
Accumulated depreciation:		
1 January 2016	43	43
Depreciation for the year	30	30
31 December 2016	73	73
Depreciation for the year	28	28
31 December 2017	101	101
Net book value:		
31 December 2016	66	66
31 December 2017	38	38
Depreciation for the year		
2016 (included in administrative expenses)		30
2017 (included in administrative expenses)		28

As at 31 December 2017, certain building and equipment items of the subsidiary were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 60 million (2016: Baht 51 million).

15. Advance payment to Vietnam government

This amount represents the advance amount to government of an overseas subsidiary in Vietnam. This amount got approval from the government to be used to offset land rental charged to the subsidiary in the future. Currently, the subsidiaries is exempted from land rental until 2026.

16. Prepayment for land-use rights

This amount represents the payment for land-use rights of the subsidiary in Vietnam, to develop its industrial estate in the future. Currently, it is in the process of transferring the land-use rights to the subsidiary. In this amount, a total Baht 1,987 million (2559: None) are paid for land which the government has completed land expropriation process.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties (Note 6)	376	382	-	-
Trade payables - unrelated parties	55,406	38,485	-	-
Other payables - related parties (Note 6)	19,443	19,458	19,936	81,006
Other payables - unrelated parties	47,897	19,731	6,434	3,073
Accrued interest expenses	5,080	933	155	204
Total	128,202	78,989	26,525	84,283

18. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Amata VN Public Company Limited	190,000	250,000	190,000	250,000
Amata City Bienhoa Joint Stock Company	131,499	-	-	-
Amata City Long Thanh Joint Stock Company	2,034,088	468,800	-	-
Total	2,355,587	718,800	190,000	250,000
Less: Current portion	(118,536)	(60,000)	(60,000)	(60,000)
Long-term loans - net of current portion	2,237,051	658,800	130,000	190,000

Movements in the long-term loans account for the year ended 31 December 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	718,800	250,000
Add: Additional borrowings	1,668,283	-
Unrealised losses on exchange	28,504	-
Less: Repayments	(60,000)	(60,000)
Balance as at 31 December 2017	2,355,587	190,000

The Company

As at 31 December 2017, the company long-term loans from banks comprise credit facility totaling Baht 350 million (2016: Baht 350 million) for use in the purchase ordinary shares of its subsidiary from non-controlling interest of the subsidiary. The loan carries interest at MLR minus certain rate, as stipulated in the agreement, payable every month-end. The loan principal is to be repaid in 10 semi-annually installments, with the last installment due in March 2020 (2016: March 2020).

Subsidiaries

As at 31 December 2017, the subsidiary's long-term loan from bank comprise credit facility totaling USD 20 million (2016: USD 70 million). Most of these loans carries interest at MLR minus certain rate, as stipulated in the agreement, payable every month-end. The loan principle is to be repaid in every quarter. Full settlement of these loans is to be made with July 2020 to July 2023 (2016: July 2023).

This loan agreement contains several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement, and the Company agreed not to mortgage or otherwise encumbers the Company's property and shares of the subsidiary held by the Company with any other parties throughout the loan periods, and dividend payments have to pre-approval by the bank. Loan of Amata City long Thanh Joint Stock Company are guaranteed by the Company and Amata City Bienhoa Joint Stock Company.

As at 31 December 2017, the long-term credit facilities of its subsidiary which have not yet been drawn down amounted to USD 7 million, VND 652,072 million and Baht 641 million (2016: USD 57 million and Baht 2,275 million).

19. Land rental payables

The balance represents the annual land rental payable to a government agency in Vietnam for the period from 2004 to 2009 for the land that had been sold and rental fees of which had been fully collected from the buyers. In the past, the subsidiary recognised land rental payables at the present value at the end of the reporting period. During the year 2016, the Vietnamese government agency has promulgated a new law relating to land rental fee that requires the subsidiary to remit the land rental payment in full to the government immediately within 31 December 2016. As a result, the present value of land rental payable increased by Baht 240 million. The subsidiary recognised loss from the changes in payment term under "Loss from adjusting present value of land rental payables" in the statement of income.

Movements in the land rental payable during the year ended 31 December 2017 and 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Balance at beginning of the period	334,634	93,075
Adjustment of provision for present value	-	239,960
Additional provisions during the year	14,160	-
Payment made during the year		
- Land rental payable	(171,735)	-
- Penalty	(96,824)	-
Reversal of provisions	(38,406)	-
Translation adjustment	(41,829)	1,599
Balance at ending of the period	-	334,634

In the second quarter of the current year, the Vietnamese government agency promulgated a new law and demanded payment for the outstanding land rental fees and penalties of the some contracts amounting to Baht 150 million from the subsidiary. As a result, the subsidiary recognised Baht 14 million of this difference from under-recorded provision as an expense in the income statement for the period.

In the third quarter of the current year, the Vietnamese government agency promulgated a new law and demanded payments for the outstanding land rental fees and penalties amounting to Baht 339 million for other contracts that it had demanded in the second quarter. The subsidiary paid Baht 172 million of the outstanding land rental payable.

Subsequently, during the fourth quarter of the current year, the subsidiary had negotiated with the Vietnamese government agency and paid Baht 97 million of the penalty that should be applied on the date that the relevant laws regarding the remittance of total rental have been effective to the present. However, the subsidiary recognised the reversal amounting to Baht 38 million of this difference from over-recorded provision under “Administrative expenses” in the income statement of the current year. However, the subsidiary has not paid penalties in full as the Vietnamese government agency demanded. The subsidiary is currently negotiating as described in the Note 27.3 to the consolidated financial statements, contingent liabilities.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital.

21. Selling and administrative expenses

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries and wages and other employee benefits	60,018	42,161	20,674	11,852
Utility expenses	2,851	3,099	-	-
Rental expenses	8,348	22,151	722	804
Depreciation	6,032	6,268	28	30
Professional fee	7,654	9,132	5,007	6,594
Reversal of provisions	(39,428)	-	-	-
Others	29,057	26,609	7,011	7,269

22. Income tax

Income tax expenses for the year ended 31 December 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>
Current income tax:				
Current income tax charge	85,570	43,892	-	-
Deferred tax:				
Related to origination and reversal of temporary differences	<u>30,279</u>	<u>46,880</u>	<u>-</u>	<u>-</u>
Income tax expenses reported in the income statement	<u>115,849</u>	<u>90,772</u>	<u>-</u>	<u>-</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	538,254	152,387	57,334	257,227
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	107,651	30,477	11,467	51,445
Adjustment in respect of income tax of previous year	(367)	-	-	-
Effects of non-deductible expenses	10,148	50,669	142	142
Effects of unrealised taxable profit from sale of real estate development costs	(88,680)	(40,137)	-	-
Effects of promotion privileges	(16,736)	(15,442)	-	-
Effect of additional expense deductions allowed	-	-	(21,740)	(63,244)
Effects of losses for the year	37,080	9,554	10,131	11,657
Effects from temporary differences	30,279	46,880	-	-
Others	36,474	8,771	-	-
Income tax expenses reported in the income statement	115,849	90,772	-	-

The components of deferred tax assets and deferred tax liabilities as at 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets (liabilities)				
Accrual for interest income	(1,368)	(45)	-	-
Revenue received in advance	(327,652)	(300,987)	-	-
Real estate development costs	1,959	2,237	-	-
Land rental payables	4,584	7,250	-	-
Allowance for doubtful debts	-	3,573	-	-
Others	25,300	21,074	-	-
Total deferred tax liabilities	(297,177)	(266,898)	-	-

As at 31 December 2017, the Company has unused tax losses totaling Baht 244 million (2016: amounting to Baht 193 million). No deferred tax assets have been recognised on these amounts the Company believes future taxable profits may not be sufficient to allow utilisation of unused tax losses, which gradually expire by 2022.

23. Basic earnings per share

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

24. 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.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2017 and 2016, respectively.

(Unit: Thousand Baht)

	Industrial estate							
	development segment		Rental segment		Utility services segment		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	642,309	355,616	235,791	230,214	218,869	240,146	1,096,969	825,976
Segment income	478,781	254,782	154,033	146,575	55,206	71,484	688,020	472,841
Unallocated income and expense:								
Gain on sales of investment								
properties							41,644	-
Interest income							13,236	22,383
Other income							19,091	47,961
Selling expenses							(13,142)	(8,901)
Administrative expenses							(61,390)	(100,519)
Losses on exchange							(133,239)	-
Loss from adjusting present value of land rental payables							-	(239,960)
Other expenses							(6,363)	(8,661)
Finance cost							(9,603)	(32,757)
Income tax expenses							(115,849)	(90,772)
Profit for the year							422,405	61,615

(Unit: Thousand Baht)

	Industrial estate						Consolidation	
	development segment		Rental segment		Utility services segment		2017	2016
	2017	2016	2017	2016	2017	2016		
Real estate development costs	399,655	544,616	-	-	-	-	399,655	544,616
Real estate costs awaiting for development	1,986,824	-	-	-	-	-	1,986,824	-
Investment properties	-	-	696,969	750,899	-	-	696,969	750,899
Plant and equipment	99,978	126,786	-	-	19,881	15,763	119,859	142,549
Prepayment for land-use rights	1,730,201	3,201,279	-	-	-	-	1,730,201	3,219,309
Unallocated assets							1,162,640	720,288
Total assets							6,096,148	5,377,661

The Company and its subsidiaries operated business in Vietnam only. As a result, all of the revenues and assets as reflected in these financial statements exclusively pertain to this geographical segment.

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent to 15 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to employees upon termination with the fund rules. The contributions for the year 2017 amounting to approximately Baht 1 million (2016: Baht 1 million) were recognized as expenses.

26. Dividends

Dividends declared for the year ended 31 December 2017 and 2016 consisted of the following:

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 20 April 2017	46,749	0.05
Total dividends for 2017		46,749	0.05
Interim dividends for 2016	Board of Director's meeting of the Company on 11 May 2016	140,250	0.15
Total dividends for 2016		140,250	0.15

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2017, the subsidiary had capital commitments of approximately VND 109,334 million (2016: VND 103,339 million), relating to the construction of ready built factories and drainage system.

27.2 Long-term commitments

The subsidiary had outstanding commitments to pay remuneration to the Vietnamese government agency pursuant to the agreement as follows.

- To lease land area of 241.04 hectare at the rate of USD 1,000 per hectare per annum and will increase 15 percent every 5 years commencing on 1 January 2006.
- To lease land area of 0.47 hectare at the rate of VND 58 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease land area of 140.75 hectare at the rate of VND 145 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease land area of 67.97 hectare at the rate of VND 20.995 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease land area of 17.10 hectare at the rate of VND 36.225 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease commercial land area of 15.39 hectare at the rate of VND 750 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.

27.3 Contingent liabilities

During the year 2016, the Vietnamese government agency promulgated a new law. In addition to the changes in conditions of payment of existing outstanding land rental, this new law also requires the subsidiary to pay additional land rental fees for land that has been sold and rental fees of which have been fully collected from the buyers.

The additional penalties that the Vietnamese government agency calculated and collected with respect to late payment of land rental fees amounted to Baht 318 million since the new law was imposed retrospectively after the period in which the subsidiary collected the lump sum land rental payments from the buyers. During such period, the fee collection was not prohibited by law, and there were no regulations requiring the subsidiary to remit the lump sum rental to the Vietnamese government agency immediately after collection.

The subsidiary's management is of the opinion that the penalties demanded by the Vietnamese government agency should be applied on the date that the relevant laws regarding the remittance of total rental have been effective. The subsidiary paid penalties for such period amounting to Baht 97 million in the current year. Therefore, the subsidiary has not recognised the difference of Baht 221 million in its accounts.

The subsidiary's management is currently negotiating and sends the enquiry letter to the relevant Vietnamese government agencies with respect to the remittance of land rental requesting the clarification on the applied of period used in the calculation of the penalties and a waiver for any additional penalties during the negotiation. To date, no official response has been received from the related Vietnamese government agencies.

28. Operating lease for which the subsidiary company acts as a lessor

The subsidiary company has entered into several operating lease agreements in respect of the lease of land, ready built factory and office building. As at 31 December 2017 and 2016, future minimum rental income to be generated under these operating leases were as follows.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Less than 1 year	181,325	169,365
1 to 5 years	339,925	268,218
More than 5 years	39,649	36,069

29. Financial instruments

29.1 Financial risk management

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

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to their cash at bank and loans. However, since most of financial assets and liabilities of the Company and its subsidiary bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

Foreign currency risk

The Company's and its subsidiaries exposure to foreign currency risk arises mainly from bank deposits in foreign currency.

As at 31 December 2017, the Company and subsidiaries had deposit balance in foreign currency amounting to USD 1 million (2016: USD 4 million), and of the Company only amounting to VND 23,030 million (2016: amounting to USD 3 million and VND 4,787 million).

29.2 Fair values of financial instruments

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

30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.96:1 (2016: 0.69:1) and the Company's was 0.13:1 (2016: 0.20:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 February 2018.