

Wice Logistics Public Company Limited

and its subsidiaries

Review report and interim 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 Wice Logistics Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Wice Logistics Public Company Limited and its subsidiaries as at 30 June 2017, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2017, and the 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 Wice Logistics 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 No. 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 No. 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 9 August 2017

Wice Logistics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<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)
Assets					
Current assets					
Cash and cash equivalents	4	126,708	173,518	73,062	101,377
Current investments	5	81,022	89,923	33,886	40,685
Trade and other receivables	3, 6	346,820	277,902	223,396	153,098
Other current assets		6,008	4,123	4,864	2,566
Total current assets		560,558	545,466	335,208	297,726
Non-current assets					
Restricted bank deposits	7	2,172	10,811	2,172	172
Investment in subsidiaries	8	-	-	344,635	344,635
Property, plant and equipment	9	149,459	150,718	147,128	148,297
Goodwill		99,400	99,400	-	-
Intangible assets	10	252,947	258,843	4,503	4,620
Deferred tax assets		-	-	5,238	5,406
Other non-current assets		2,116	1,919	1,836	1,636
Total non-current assets		506,094	521,691	505,512	504,766
Total assets		1,066,652	1,067,157	840,720	802,492

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

.....
Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

Wice Logistics Public Company Limited and its subsidiaries
Statement of financial position (Continued)
As at 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<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)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 11	120,230	119,018	52,537	46,780
Current portion of liabilities under finance lease agreements	12	3,213	7,151	3,213	7,151
Income tax payable		16,390	15,179	-	8
Other current liabilities	3	24,274	12,466	12,200	10,805
Total current liabilities		<u>164,107</u>	<u>153,814</u>	<u>67,950</u>	<u>64,744</u>
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	12	21	772	21	772
Provision for long-term employee benefits		15,334	13,673	9,687	8,543
Deferred tax liabilities		34,408	35,635	-	-
Other non-current liabilities		1,134	982	1,134	982
Total non-current liabilities		<u>50,897</u>	<u>51,062</u>	<u>10,842</u>	<u>10,297</u>
Total liabilities		<u>215,004</u>	<u>204,876</u>	<u>78,792</u>	<u>75,041</u>
Shareholders' equity					
Share capital					
Registered					
651,899,500 ordinary shares of Baht 0.50 each		325,950	325,950	325,950	325,950
Issued and paid-up					
651,899,500 ordinary shares of Baht 0.50 each		325,950	325,950	325,950	325,950
Share premium		347,779	347,779	347,779	347,779
Retained earnings					
Appropriated-statutory reserve		17,137	14,274	17,137	14,274
Unappropriated		77,387	82,619	71,062	39,448
Other components of shareholders' equity		6,676	6,601	-	-
Equity attributable to owners of the Company		<u>774,929</u>	<u>777,223</u>	<u>761,928</u>	<u>727,451</u>
Non-controlling interests of the subsidiary		76,719	85,058	-	-
Total shareholders' equity		<u>851,648</u>	<u>862,281</u>	<u>761,928</u>	<u>727,451</u>
Total liabilities and shareholders' equity		<u>1,066,652</u>	<u>1,067,157</u>	<u>840,720</u>	<u>802,492</u>
		-	-	-	-

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

Araya Kongsoonthorn
(Director)

Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

Wice Logistics Public Company Limited and its subsidiaries**Statement of income****For the three-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Service income	3	355,702	218,098	172,709	146,837
Other income	3	883	2,413	2,076	1,327
Total revenues		<u>356,585</u>	<u>220,511</u>	<u>174,785</u>	<u>148,164</u>
Expenses					
Cost of services	3	271,600	165,886	145,453	118,399
Selling expenses		14,417	9,578	6,418	6,435
Administrative expenses	3	32,555	23,980	16,204	18,463
Total expenses		<u>318,572</u>	<u>199,444</u>	<u>168,075</u>	<u>143,297</u>
Profit before finance cost and income tax expenses		<u>38,013</u>	<u>21,067</u>	<u>6,710</u>	<u>4,867</u>
Finance cost		<u>(54)</u>	<u>(208)</u>	<u>(54)</u>	<u>(208)</u>
Profit before income tax expenses		<u>37,959</u>	<u>20,859</u>	<u>6,656</u>	<u>4,659</u>
Income tax expenses	13	<u>(7,789)</u>	<u>(5,021)</u>	<u>(1,185)</u>	<u>(1,504)</u>
Profit for the period		<u>30,170</u>	<u>15,838</u>	<u>5,471</u>	<u>3,155</u>
Profit attributable to:					
Equity holders of the Company		25,603	15,838	5,471	3,155
Non-controlling interest of the subsidiary		4,567	-		
		<u>30,170</u>	<u>15,838</u>		
					(Unit: Baht)
Earnings per share	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.04</u>	<u>0.03</u>	<u>0.01</u>	<u>0.01</u>

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

Araya Kongsoonthorn

(Director)

Chudet Kongsoonthorn

(Director)

(Unaudited but reviewed)

Wice Logistics Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period		<u>30,170</u>	<u>15,838</u>	<u>5,471</u>	<u>3,155</u>
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of					
financial statements in foreign currency		402	-	-	-
Gain (loss) on changes in value of available-for-sale					
investments	5	190	(273)	-	727
Less: Income tax effect	13	(38)	54	-	(145)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>554</u>	<u>(219)</u>	<u>-</u>	<u>582</u>
Other comprehensive income for the period		<u>554</u>	<u>(219)</u>	<u>-</u>	<u>582</u>
Total comprehensive income for the period		<u>30,724</u>	<u>15,619</u>	<u>5,471</u>	<u>3,737</u>
Total comprehensive income attributable to:					
Equity holders of the Company		26,157	15,619	<u>5,471</u>	<u>3,737</u>
Non-controlling interest of the subsidiary		<u>4,567</u>	-		
		<u>30,724</u>	<u>15,619</u>		

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

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Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

Wice Logistics Public Company Limited and its subsidiaries

Statement of income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Service income	3	684,930	378,644	322,274	250,584
Dividend income	3, 8	-	-	73,724	26,339
Other income	3	2,011	2,834	4,563	2,336
Total revenues		<u>686,941</u>	<u>381,478</u>	<u>400,561</u>	<u>279,259</u>
Expenses					
Cost of services	3	513,457	284,636	264,116	197,171
Selling expenses		24,284	18,916	12,504	12,482
Administrative expenses	3	76,478	45,642	33,724	33,818
Total expenses		<u>614,219</u>	<u>349,194</u>	<u>310,344</u>	<u>243,471</u>
Profit before finance cost and income tax expenses		<u>72,722</u>	<u>32,284</u>	<u>90,217</u>	<u>35,788</u>
Finance cost		<u>(134)</u>	<u>(458)</u>	<u>(134)</u>	<u>(458)</u>
Profit before income tax expenses		<u>72,588</u>	<u>31,826</u>	<u>90,083</u>	<u>35,330</u>
Income tax expenses	13	<u>(14,548)</u>	<u>(6,147)</u>	<u>(3,459)</u>	<u>(895)</u>
Profit for the period		<u><u>58,040</u></u>	<u><u>25,679</u></u>	<u><u>86,624</u></u>	<u><u>34,435</u></u>
Profit attributable to:					
Equity holders of the Company		49,778	25,679	86,624	34,435
Non-controlling interest of the subsidiary		<u>8,262</u>	<u>-</u>		
		<u><u>58,040</u></u>	<u><u>25,679</u></u>		
					(Unit: Baht)
Earnings per share	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.04</u>	<u>0.13</u>	<u>0.06</u>

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

Araya Kongsoonthorn
(Director)

Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

Wice Logistics Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period		<u>58,040</u>	<u>25,679</u>	<u>86,624</u>	<u>34,435</u>
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of					
financial statements in foreign currency		(251)	-	-	-
Gain (loss) on changes in value of available-for-sale					
investments	5	407	(427)	-	746
Less: Income tax effect	13	(81)	85	-	(149)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		75	(342)	-	597
Other comprehensive income for the period		<u>75</u>	<u>(342)</u>	<u>-</u>	<u>597</u>
Total comprehensive income for the period		<u>58,115</u>	<u>25,337</u>	<u>86,624</u>	<u>35,032</u>
Total comprehensive income attributable to:					
Equity holders of the Company		49,853	25,337	86,624	35,032
Non-controlling interest of the subsidiary		8,262	-		
		<u>58,115</u>	<u>25,337</u>		

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

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Araya Kongsoonthorn
(Director)

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Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

Wice Logistics Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	72,588	31,826	90,083	35,330
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	14,144	8,902	7,815	7,131
Allowance for doubtful accounts (reversal)	(1)	435	(1)	435
Reversal on impairment of assets	-	(43)	-	-
Loss on write-off software	680	-	339	-
Gain on disposal of equipment	(136)	(67)	-	-
Gain on sales of current investments	(123)	(1,328)	-	(112)
Long-term employee benefits expense	1,661	1,690	1,144	1,170
Unrealised loss on exchange	361	192	424	374
Interest income	(342)	(827)	(298)	(827)
Dividend income	-	-	(73,724)	(26,339)
Interest expenses	134	458	134	458
Profit from operating activities before changes in operating assets and liabilities	88,966	41,238	25,916	17,620
Operating assets (increase) decrease				
Trade and other receivables	(69,495)	(73,649)	(46,229)	(54,479)
Other current assets	(1,885)	(2,270)	(2,298)	(2,004)
Other non-current assets	(197)	70	(200)	(27)
Operating liabilities increase (decrease)				
Trade and other payables	1,424	24,224	6,000	14,959
Other current liabilities	1,079	1,617	1,395	930
Other non-current liabilities	152	208	152	208
Cash flows from (used in) operating activities	20,044	(8,562)	(15,264)	(22,793)
Cash paid for corporate income tax	(14,646)	(8,196)	(3,299)	(3,751)
Net cash flows from (used in) operating activities	5,398	(16,758)	(18,563)	(26,544)

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

Araya Kongsoonthorn
(Director)

Chudet Kongsoonthorn
(Director)

Wice Logistics Public Company Limited and its subsidiaries**Cash flow statement (Continued)****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
(Increase) decrease in current investments	(810)	39,631	6,799	39,631
Decrease (increase) in restricted bank deposits	8,639	-	(2,000)	-
Acquisition of equipment	(7,217)	(5,808)	(6,424)	(5,696)
Acquisitions of intangible asset	(454)	(2,791)	(444)	(2,791)
Interest income	347	738	311	738
Dividend income	-	-	48,976	26,339
Proceeds from sales of equipment	136	67	-	-
Proceed from sales of current investment	10,241	27,059	-	-
Cash paid for acquisitions of current investments	-	(27,089)	-	(30)
Net cash flows from investing activities	10,882	31,807	47,218	58,191
Cash flows from financing activities				
Repayments made on liabilities under finance				
lease agreements	(4,689)	(7,244)	(4,689)	(7,217)
Interest expenses	(134)	(458)	(134)	(458)
Dividend paid	(58,018)	(41,996)	(52,147)	(41,996)
Net cash flows used in financing activities	(62,841)	(49,698)	(56,970)	(49,671)
Decrease in translation adjustments	(249)	-	-	-
Net decrease in cash and cash equivalents	(46,810)	(34,649)	(28,315)	(18,024)
Cash and cash equivalents at beginning of period	173,518	94,438	101,377	63,304
Cash and cash equivalents at end of period (Note 4)	126,708	59,789	73,062	45,280
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of				
Dividend receivable due from subsidiary	-	-	24,748	-
Dividend payable	10,730	-	-	-

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

Araya Kongsoonthorn

(Director)

Chudet Kongsoonthorn

(Director)

Wice Logistics Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2017

1. General information

1.1 Corporate information

Wice Logistics Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in an international freight forwarding, customs broker, inland transportation, multimodal transport operator and all freight related services for imports and exports. The registered office of the Company is at 88/8 Nonsee Road, Chong-nonsee, Yannawa, Bangkok.

1.2 Basis of 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, income, 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 interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016 with the change in the composition of the group of companies during the current period as summarised below.

.....
Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

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. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised accounting standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This accounting standard does not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were adopted 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 arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

.....
Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
Sun Express (Thailand) Company Limited	Subsidiary
Sun Express Logistics Pte. Ltd.	Subsidiary

During the three-month and six-month periods ended 30 June 2017 and 2016, such significant transactions are summarised below.

(Unit: Million Baht)

	For the three-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	1.9	1.5	Close to market price
Rental income and other service	-	-	1.4	0.8	As stipulated in the agreement
Cost of services	-	-	0.4	0.4	Close to market price
<u>Transactions with related person and company</u>					
Service income	-	2.6	-	-	Close to market price
Cost of services	-	5.8	-	-	Close to market price
<u>Transactions with management and directors</u>					
Land and buildings rental expenses	0.4	0.4	0.4	0.4	As stipulated in the agreement

(Unit: Million Baht)

	For the six-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	3.9	2.8	Close to market price
Rental income and other service	-	-	3.4	1.7	As stipulated in the agreement
Dividend income	-	-	73.7	26.3	As declared
Cost of services	-	-	0.8	0.8	Close to market price
<u>Transactions with related person and company</u>					
Service income	-	5.1	-	-	Close to market price
Cost of services	-	11.0	-	-	Close to market price
<u>Transactions with management and directors</u>					
Land and buildings rental expenses	0.9	0.9	0.9	0.9	As stipulated in the agreement

.....
Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

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

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade and other receivables - related parties (Note 6)</u>				
Subsidiary	-	-	24,985	12,914
Total trade and other receivables - related parties	-	-	24,985	12,914
<u>Trade and other payables - related parties (Note 11)</u>				
Subsidiary	-	-	299	326
Related individuals (Management and directors)	-	21	-	21
Total trade and other payables - related parties	-	21	299	347
<u>Unearned revenue - related party (included in other current liabilities)</u>				
Related company	-	-	13	-
Total unearned revenue - related party	-	-	13	-

Directors and management's benefits

During 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 period ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Short-term employee benefits	9,957	6,855	3,461	3,188
Post-employment and other long-term benefits	299	457	205	289
Total	10,256	7,312	3,666	3,477

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Araya Kongsoonthorn
(Director)

.....
Chudet Kongsoonthorn
(Director)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	21,459	13,554	6,905	6,250
Post-employment and other long-term benefits	597	913	409	579
Total	22,056	14,467	7,314	6,829

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash	99	99	-	-
Bank deposits	126,609	173,419	73,062	101,377
Total	126,708	173,518	73,062	101,377

As at 30 June 2017 and 31 December 2016, bank deposits in saving accounts carried interests between 0.15% and 0.38% per annum.

5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Investments in open-end fund - Cost	36,640	46,758	30	30
Add: Unrealised gain (loss) on changes in value of investments	327	(80)	-	-
Investments in open-end fund - Fair value	36,967	46,678	30	30
Fixed deposits	44,055	43,245	33,856	40,655
Total current investments	81,022	89,923	33,886	40,685

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(Director)

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Chudet Kongsoonthorn
(Director)

During the six-month period ended 30 June 2017, the Company and its subsidiaries sold available-for-sale securities with book values totaling Baht 10.1 million and recognised gains on the sales amounting to Baht 0.1 million in profit or loss. This amount included gains transferred from gain on valuation of available-for-sale securities in other comprehensive income, amounting to Baht 0.1 million.

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	213	4,279
Total trade accounts receivable - related parties	-	-	213	4,279
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	172,086	155,440	81,940	69,335
Past due				
Up to 3 months	119,856	81,409	69,991	36,052
3 - 6 months	6,606	8,959	5,280	7,975
6 - 12 months	1,069	2,205	984	2,106
Over 12 months	811	568	787	573
Total	300,428	248,581	158,982	116,041
Less: Allowance for doubtful accounts	(1,090)	(1,091)	(1,090)	(1,091)
Total trade accounts receivable - unrelated parties, net	299,338	247,490	157,892	114,950
Total trade accounts receivable - net	299,338	247,490	158,105	119,229
<u>Other receivables</u>				
Advance receivables - related parties	-	-	23	6
Advance receivables - unrelated parties	46,675	28,354	39,709	24,709
Other receivables - related parties	-	-	24,749	8,629
Other receivables - unrelated parties	807	2,058	810	525
Total other receivables	47,482	30,412	65,291	33,869
Trade and other receivables - net	346,820	277,902	223,396	153,098

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(Director)

7. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure a fuel credit card and bank guarantees issued by bank on behalf of the Company and its subsidiaries to secure cargo usages, as disclosed in Note 17.3.

8. Investment in subsidiaries

Details of investment in a subsidiaries as presented in separate financial statements as at 30 June 2017 and 31 December 2016 are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period (year)	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Sun Express (Thailand) Company Limited	Baht 54 million	Baht 54 million	99.99	99.99	53,998	53,998	36,192	26,339
Sun Express Logistics Pte. Ltd.	SGD 0.7 million	SGD 0.7 million	70.00	70.00	290,637	290,637	37,532	-
Total					344,635	344,635	73,724	26,339

As at 30 June 2017, The Company presented Sun Express Logistics Pte. Ltd. dividend receivable amounting to Baht 24.75 million in its separate financial statements. During July 2017, the Company received dividend from such company amounting to Baht 13.6 million and the remaining amount would be paid in September 2017.

9. Property, plant and equipment

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	150,718	148,297
Acquisitions during the period - at cost	7,217	6,424
Depreciation for the period	(8,474)	(7,593)
Translation adjustment	(2)	-
Net book value as at 30 June 2017	149,459	147,128

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10. Intangible assets

Movement of the intangible assets account during the six-month period ended 30 June 2017 are below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	258,843	4,620
Acquisitions during the period - at cost	454	444
Adjustment	(680)	(339)
Amortisation for the period	(5,670)	(222)
Net book value as at 30 June 2017	<u>252,947</u>	<u>4,503</u>

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Trade accounts payable - related parties	-	-	22	49
Trade accounts payable - unrelated parties	92,263	83,041	40,883	33,277
Other payables - related party	-	21	277	298
Other payables - unrelated parties	27,967	35,956	11,355	13,156
Total trade and other payables	<u>120,230</u>	<u>119,018</u>	<u>52,537</u>	<u>46,780</u>

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 (Director)

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 (Director)

12. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June	31 December
	2017	2016
Liabilities under finance lease agreements	3,292	8,116
Less: Deferred interest expenses	(58)	(193)
Total	3,234	7,923
Less: Portion due within one year	(3,213)	(7,151)
Liabilities under finance lease agreements - net of current portion	21	772

The Company have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 4 years.

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

(Unit: Thousand Baht)

	Consolidated / Separate financial statements		
	As at 30 June 2017		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	3,267	25	3,292
Deferred interest expenses	(54)	(4)	(58)
Present value of future minimum lease payments	3,213	21	3,234

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(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated / Separate financial
statements

	As at 31 December 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	7,332	784	8,116
Deferred interest expenses	(181)	(12)	(193)
Present value of future minimum lease payments	<u>7,151</u>	<u>772</u>	<u>7,923</u>

13. Income tax

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 period ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	8,393	5,060	1,046	1,490
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(604)</u>	<u>(39)</u>	<u>139</u>	<u>14</u>
Income tax expenses reported in the statement of comprehensive income	<u>7,789</u>	<u>5,021</u>	<u>1,185</u>	<u>1,504</u>

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(Unit: Thousand Baht)

For the six-month period ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	15,857	8,319	3,291	2,970
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,309)	(2,172)	168	(2,075)
Income tax expenses reported in the statement of comprehensive income	<u>14,548</u>	<u>6,147</u>	<u>3,459</u>	<u>895</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 period ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax relating to gain on changes in value of available-for-sale investments	<u>(38)</u>	<u>54</u>	<u>-</u>	<u>(145)</u>

(Unit: Thousand Baht)

For the six-month period ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax relating to gain on changes in value of available-for-sale investments	<u>(81)</u>	<u>85</u>	<u>-</u>	<u>(149)</u>

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(Director)

14. Earnings per share

Basic earnings per share is calculated by dividing profit 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:

Consolidated financial statements					
For the three-month period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2017	2016	2017	2016	2017	2016
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
25,603	15,838	651,900	600,000	0.04	0.03

Separate financial statements					
For the three-month period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2017	2016	2017	2016	2017	2016
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
5,471	3,155	651,900	600,000	0.01	0.01

Consolidated financial statements					
For the six-month period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2017	2016	2017	2016	2017	2016
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
49,778	25,679	651,900	600,000	0.08	0.04

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Separate financial statements					
For the six-month period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2017	2016	2017	2016	2017	2016
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)

Basic earnings per share

Profit attributable to equity holders
of the Company

86,624	34,435	651,900	600,000	0.13	0.06
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15. Dividend

Dividend declared during the periods ended 30 June 2017 and 2016 consisted of the followings.

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Dividend payment date
Final dividends for 2016	Annual General Meeting of shareholders on 20 April 2017	52.1	0.08	16 May 2017
Total		52.1		
Final dividends for 2015	Annual General Meeting of shareholders on 20 April 2016	42.0	0.07	10 May 2016
Total		42.0		

16. Segment information

The Company and its subsidiaries are organised into business units based on its services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2017 and 2016.

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(Director)

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2017

	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
Service income						
Revenue from						
external customers	178	106	72	356	-	356
Inter-segment revenue	2	5	3	10	(10)	-
Total revenue	180	111	75	366	(10)	356
Results						
Segment profit	43	32	11	86	-	86
Other income						1
Depreciation and amortisation						(7)
Selling and administrative expenses						(42)
Profit before income tax expenses						38
Income tax expenses						(8)
Profit for the period						30

(Unit: Million Baht)

For the three-month period ended 30 June 2016

	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
Revenues						
Revenues from external						
customers	113	44	61	218	-	218
Inter-segment revenues	-	-	1	1	(1)	-
Total revenues	113	44	62	219	(1)	218
Results						
Segment profit	26	14	15	55	-	55
Other income						2
Depreciation and amortisation						(4)
Selling and administrative expenses						(32)
Profit before tax						21
Income tax expenses						(5)
Profit for the period						16

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(Unit: Million Baht)

	For the six-month period ended 30 June 2017					
	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
Service income						
Revenue from						
external customers	331	213	141	685	-	685
Inter-segment revenue	4	10	5	19	(19)	-
Total revenue	335	223	146	704	(19)	685
Results						
Segment profit	87	65	24	176	-	176
Other income						2
Depreciation and amortisation						(14)
Selling and administrative expenses						(92)
Profit before income tax expenses						72
Income tax expenses						(14)
Profit for the period						58

(Unit: Million Baht)

	For the six-month period ended 30 June 2016					
	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
Revenues						
Revenues from external customers	191	84	104	379	-	379
Inter-segment revenues	-	-	3	3	(3)	-
Total revenues	<u>191</u>	<u>84</u>	<u>107</u>	<u>382</u>	<u>(3)</u>	<u>379</u>
Results						
Segment profit	48	27	25	100	-	100
Other income						3
Depreciation and amortisation						(9)
Selling and administrative expenses						(62)
Profit before tax						32
Income tax expenses						(6)
Profit for the period						26

17. Commitments and contingent liabilities

17.1 Capital commitment

As at 30 June 2017 and 31 December 2016, the Company had capital commitment of approximately Baht 2.09 million, relating to the acquisition of computer software for business operation.

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17.2 Operating lease and long-term service commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space and long-term service agreements. The terms of the agreements are generally between 1 and 20 years.

Future minimum lease payments required under these non-cancellable operating leases agreements and long-term service agreements were as follows.

	(Unit: Million Baht)	
	30 June 2017	31 December 2016
Payable:		
In up to 1 year	23.0	22.3
In over 1 and up to 5 years	21.8	21.7
In over 5 years	20.6	21.3

17.3 Guarantees

As at 30 June 2017, there were outstanding bank guarantees of approximately Baht 2.17 million (31 December 2016: Baht 0.17 million) and SGD 0.67 million (31 December 2016: SGD 0.68 million) issued by bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

18. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

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 (Director)

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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

As at 30 June 2017, the Company and its subsidiaries had the assets that was measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	36,967	-	36,967

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	30	-	30

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2017.

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