

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NCL International Logistics Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of NCL International Logistics Public Company Limited and its subsidiaries (the Group) and of NCL International Logistics Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the NCL International Logistics Public Company Limited and its subsidiaries and of NCL International Logistics Public Company Limited as at December 31, 2016, and its consolidated and separate financial performance and its consolidated and separate 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 Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

SP Audit Co., Ltd.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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.

Investment in Jointly Controlled Entity

In 2016, the Group has made jointed investment with other investors to establish a jointly controlled entity, SSK Inter Logistics Co., Ltd., to provide transportation services by truck (Note 10). The Group hold 43.48% of the said jointly control entity and has paid for the share subscription fee in the form of the Group's fair value of the vehicles used in the operation. The valuation of the fair value is determined by an independent appraiser. Therefore, the said valuation of the fair value by the independent appraiser is a key audit matter. In practice, determining fair values involved the judgments and the carrying amounts of the said investment in jointly controlled entity is considered significant to the Group's financial statements.

Key audit procedures

We have obtained an understanding of the appraisal report for the vehicles used in operation prepared by an independent appraiser regarding the appraisal method, the details of the models, brands, previous usage periods, and useful lives of the Group's vehicles used in operation, and summary of independent appraiser's opinion.

We have reviewed the appropriateness and the conformity of the valuation methods applied by the independent appraiser to the objective of the recognition in the financial report preparation. We have interviewed and assessed the reasonableness of the valuation for the replacement cost of vehicles used in operation, deterioration rate, the efficiency on usage ratio, and maintenance of the vehicles used in operation that the independent appraiser used in valuation.

And we also focused on the Group's disclosures about the financial information of the jointly controlled entity of its adequacy and conformity to the requirements of the accounting standards.

SP Audit Co., Ltd.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charge with governance to correct the materially misstatement.

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

Managements 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.

SP Audit Co., Ltd.

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 Standards on Auditing, I exercise professional judgment 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 have 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.

SP Audit Co., Ltd.

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.

SP Audit Company Limited

(Miss Chuenta Chommern)

Certified Public Accountant (Thailand) No. 7570

Bangkok

24 February 2017

NCL International Logistics Public Company Limited and Subsidiaries

Statement of Financial Position

As at 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2015
<u>Assets</u>					
Current assets					
Cash and cash equivalents		98,685,926.68	68,555,975.72	71,602,577.94	42,167,613.97
Trade and other receivables - related parties	5.1,6	5,286,284.88	169,316.17	7,094,378.34	1,682,261.98
Trade and other receivables - third parties	7	133,372,658.21	166,413,968.71	109,713,285.76	157,846,488.36
Short-term loan due from related parties	5.1	-	-	19,836,904.98	17,961,650.00
Total current assets		237,344,869.77	235,139,260.60	208,247,147.02	219,658,014.31
Non - current assets					
Fixed deposits pledged as collateral	8	54,695,648.99	74,747,131.29	54,695,648.99	74,747,131.29
Investment in associate	9	7,593,146.81	-	8,000,000.00	-
Investment in joint venture	10	112,718,060.12	-	127,149,990.00	-
Investment in subsidiaries	11	-	-	27,411,271.72	12,469,096.50
Investments properties	12	77,199,693.09	-	77,199,693.09	-
Property, plant and equipment	13	28,091,588.58	250,905,524.33	23,775,944.57	248,406,454.61
Intangible assets	14	2,362,588.00	4,969,524.10	577,197.57	4,042,582.14
Prepaid rental		991,065.50	1,121,880.51	991,065.51	1,121,880.51
Withholding taxed		18,873,689.18	23,926,466.42	18,873,689.18	23,926,466.42
Deferred tax assets	15	1,944,708.44	-	1,944,708.44	-
Other non - current assets		3,167,891.96	3,847,261.65	2,775,360.31	3,556,850.31
Total non - current assets		307,638,080.67	359,517,788.30	343,394,569.38	368,270,461.78
Total Assets		544,982,950.44	594,657,048.90	551,641,716.40	587,928,476.09

.....Director

(Ms.Pornthip Sac-lim)

.....Director

(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Statement of Financial Position

As at 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2015
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdraft and short - term loans from financial institutions	16	205,761,555.59	189,829,967.12	205,761,555.59	189,829,967.12
Trade and other payables - related parties	5.1	3,955,132.87	1,543,414.51	3,714,406.35	2,837,588.31
Trade and other payables - third parties	17	77,249,705.66	95,629,756.05	59,215,155.63	90,385,636.67
Revenue Department payable		3,289,704.29	3,667,084.98	3,107,558.40	3,667,084.98
Short-term loan due to related party		-	136,529.06	-	-
Current portion					
Obligation under finance leases	18	7,465.46	24,838,175.53	7,465.46	24,838,175.53
Long-term loans due to financial institution	19	9,600,000.00	-	9,600,000.00	-
Total current liabilities		299,863,563.87	315,644,927.25	281,406,141.43	311,558,452.61
Non - Current Liabilities					
Obligation under finance leases	18	-	32,860,951.11	-	32,860,951.11
Long-term loans due to financial institution	19	14,000,000.00	-	14,000,000.00	-
Employee benefit obligations	20	5,190,192.10	3,928,667.00	5,190,192.10	3,928,667.00
Deferred tax liabilities	15	-	5,343,254.18	-	5,269,556.98
Other non - current liabilities		1,358,617.34	1,377,644.40	1,358,617.34	1,377,644.40
Total non - current Liabilities		20,548,809.44	43,510,516.69	20,548,809.44	43,436,819.49
Total Liabilities		320,412,373.31	359,155,443.94	301,954,950.87	354,995,272.10

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Statement of Financial Position

As at 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2014
Shareholders' Equity					
Share capital	21				
Authorised share capital					
560,000,000 ordinary shares of Baht 0.25 each		140,000,000.00	140,000,000.00	140,000,000.00	140,000,000.00
Issued and paid up share capital					
420,000,000 ordinary shares of Baht 0.25 each		105,000,000.00	105,000,000.00	105,000,000.00	105,000,000.00
Premium on ordinary shares	21	127,933,203.99	190,923,427.26	127,933,203.99	190,923,427.26
Retained earnings (deficits)					
Appropriated - legal reserve	22	10,500,000.00	10,500,000.00	10,500,000.00	10,500,000.00
Unappropriated		(16,866,947.60)	(71,677,820.99)	6,253,561.54	(73,490,223.27)
Other components of shareholders' equity		(239,380.74)	755,998.69	-	-
Equity attributable to owners of the Company		226,326,875.65	235,501,604.96	249,686,765.53	232,933,203.99
Non-controlling interests of the subsidiaries		(1,756,298.52)	-	-	-
Total Shareholders' Equity		224,570,577.13	235,501,604.96	249,686,765.53	232,933,203.99
Total Liabilities and Shareholders' Equity		544,982,950.44	594,657,048.90	551,641,716.40	587,928,476.09

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Statement of Comprehensive Income

For the year ended 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2015
			Reclassified		Reclassified
Revenues					
Service income		985,605,051.51	1,074,623,379.56	841,975,980.84	1,032,396,456.13
Other income		25,621,410.94	6,410,461.82	25,379,606.19	7,443,336.63
Total Revenues		1,011,226,462.45	1,081,033,841.38	867,355,587.03	1,039,839,792.76
Expenses					
Cost of services		829,883,075.71	919,162,389.99	695,377,278.48	891,222,195.26
Selling expenses		46,508,347.04	49,404,338.61	45,396,390.51	49,055,428.84
Administrative expenses		128,389,857.14	149,708,790.16	102,637,944.94	171,518,361.74
Finance cost		9,305,598.79	9,051,261.91	9,289,897.74	9,051,261.91
Total Expenses		1,014,086,878.68	1,127,326,780.67	852,701,511.67	1,120,847,247.75
Profit (loss) before share of loss from investment in associate and investment joint venture		(2,860,416.23)	(46,292,939.29)	14,654,075.36	(81,007,454.99)
Share of loss from investment in associate and joint venture		(14,838,783.06)	(32,661,104.81)	-	-
Profit (loss) before income tax income (expense)		(17,699,199.29)	(78,954,044.10)	14,654,075.36	(81,007,454.99)
Income tax income (expense)	23	2,175,105.30	(1,650,538.85)	2,099,486.18	(1,576,841.65)
Profit (loss) for the year		(15,524,093.99)	(80,604,582.95)	16,753,561.54	(82,584,296.64)
Other comprehensive income					
Items must be classified into profit or loss in the future					
Exchange differences on translation		(956,161.43)	897,129.93	-	-
Other comprehensive income (loss) for the year		(956,161.43)	897,129.93	-	-
Total comprehensive income (loss) for the year		(16,480,255.42)	(79,707,453.02)	16,753,561.54	(82,584,296.64)
Profit (loss) attributable to :					
Equity holders of the Company		(8,179,349.88)	(80,604,582.95)	-	-
Non-controlling interests of the subsidiaries		(7,344,744.11)	-	-	-
		(15,524,093.99)	(80,604,582.95)	-	-
Total comprehensive loss attributable to:					
Equity holders of the Company		(9,174,729.31)	(79,707,453.02)	-	-
Non-controlling interests of the subsidiaries		(7,305,526.11)	-	-	-
		(16,480,255.42)	(79,707,453.02)	-	-
Basic earnings (loss) per share	24	(0.04)	(0.19)	0.04	(0.20)
Number of share (Unit : share)		420,000,000	420,000,000	420,000,000	420,000,000

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries
 Consolidated Statements of Changes in Shareholders' Equity
 For the year ended 31 December 2016

(Unit : Baht)

	Note	Issued and paid up share capital	Premium on share capital	Deficits		Exchange differences on translation	Total shareholders	Non-controlling interests of the subsidiaries	Total
				Legal reserve	Unappropriated				
Balance as at 1 January 2015		105,000,000.00	190,923,427.26	10,500,000.00	18,926,761.96	(141,131.24)	325,209,057.98	-	325,209,057.98
Changes in equity for the year									
Dividend paid	25	-	-	-	(10,000,000.00)	-	(10,000,000.00)	-	(10,000,000.00)
Total comprehensive loss for the year		-	-	-	(80,604,582.95)	897,129.93	(79,707,453.02)	-	(79,707,453.02)
Balance as at 31 December 2015		105,000,000.00	190,923,427.26	10,500,000.00	(71,677,820.99)	755,998.69	235,501,604.96	-	235,501,604.96
Changes in equity for the year									
Increase from increment of subsidiary's share capital		-	-	-	-	-	-	5,549,227.59	5,549,227.59
Legal reserve and premium on share capital transferred									
to offset the accumulated deficit	21	-	(62,990,223.27)	(10,500,000.00)	73,490,223.27	-	-	-	-
Legal reserve	22	-	-	10,500,000.00	(10,500,000.00)	-	-	-	-
Total comprehensive loss for the year		-	-	-	(8,179,349.88)	(995,379.43)	(9,174,729.31)	(7,305,526.11)	(16,480,255.42)
Balance as at 31 December 2016		105,000,000.00	127,933,203.99	10,500,000.00	(16,866,947.60)	(239,380.74)	226,326,875.65	(1,756,298.52)	224,570,577.13

.....Director
 (Ms.Pornthip Sae-lim)

.....Director
 (Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Separate Statements of Changes in Shareholders' Equity

For the year ended 31 December 2016

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficits)		Total
				Legal reserve	Unappropriated	
Balance as at 1 January 2016		105,000,000.00	190,923,427.26	10,500,000.00	19,094,073.37	325,517,500.63
Changes in equity for the year						
Dividend paid	25	-	-	-	(10,000,000.00)	(10,000,000.00)
Total comprehensive loss for the year		-	-	-	(82,584,296.64)	(82,584,296.64)
Balance as at 31 December 2015		105,000,000.00	190,923,427.26	10,500,000.00	(73,490,223.27)	232,933,203.99
Legal reserve and premium on share capital transferred						
to offset the accumulated deficit	21	-	(62,990,223.27)	(10,500,000.00)	73,490,223.27	-
Legal reserve	22	-	-	10,500,000.00	(10,500,000.00)	-
Total comprehensive income for the year		-	-	-	16,753,561.54	16,753,561.54
Balance as at 31 December 2016		105,000,000.00	127,933,203.99	10,500,000.00	6,253,561.54	249,686,765.53

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2015
Cash Flow from Operating Activities					
Profit (loss) before income tax income (expense)		(10,354,455.18)	(78,954,044.10)	14,654,075.36	(81,007,454.99)
Adjustments to reconcile profit (loss) before income tax income (expense) for					
cash provided by (used in) operating activities					
Doubtful debt		5,652,794.12	3,053,087.39	5,652,794.12	3,053,087.39
Unrealised gain from exchange rates		(962,031.22)	(297,847.26)	(35,865.14)	(772,007.67)
(Gain) loss on disposal of property, plant and equipment		(5,522,239.77)	53,964.58	(5,547,391.67)	53,964.58
Depreciation and amortisation		13,623,205.89	20,536,143.29	12,666,071.33	19,917,766.54
Impairment loss on investment in associate		-	-	-	32,750,400.00
Impairment loss on intangible assets		523,890.46	-	-	-
Gain from sale of investment in associate		(349,521.00)	-	(349,521.00)	-
Loss from written off assets		4,297.47	551,630.26	4,297.47	551,630.26
Loss from written off deposit		-	18,494,850.00	-	18,494,850.00
Loss from written off intangible assets		2,328,000.00	-	2,328,000.00	-
Prepaid rental		130,815.01	130,815.00	130,815.00	130,815.00
Employee benefit obligations		1,261,525.10	1,042,966.00	1,261,525.10	1,042,966.00
Share of loss from investment in subsidiaries of non-controlling interests		(7,344,744.11)	-	-	-
Share of loss from investment in associate and joint venture		14,838,783.07	32,661,104.81	-	-
Interest income		(941,162.85)	(661,409.04)	(1,870,115.87)	(874,783.60)
Interest expenses		9,305,598.79	9,051,261.91	9,289,897.74	9,051,261.91
Profit from operating activities before changes in operating assets					
and liabilities		22,194,755.78	5,662,522.84	38,184,582.44	2,392,495.42
(Increase) decrease in trade and other receivables - related parties		(4,555,448.06)	(47,419.91)	(4,865,972.73)	(1,453,678.44)
(Increase) decrease in trade and other receivables - third parties		30,299,968.47	(60,150,213.34)	44,588,487.44	(51,688,418.22)
(Increase) decrease in other non - current assets		671,193.73	(19,582,818.62)	781,490.00	(19,492,000.00)
Increase (decrease) in trade and other payables - related parties		2,404,535.34	1,324,766.91	875,922.44	2,618,940.71
Increase (decrease) in trade and other payables - third parties		(26,166,874.57)	32,595,335.44	(39,436,710.04)	27,489,227.54
Increase (decrease) in revenue department payable		(377,380.69)	167,359.15	(559,526.58)	167,359.15
Increase (decrease) in other non - current liabilities		(19,027.06)	(181,799.90)	(19,027.06)	(181,799.90)
Cash generated from operation		24,451,722.94	(40,212,267.43)	39,549,245.91	(40,147,873.74)
Cash received from interest		930,494.49	625,996.06	1,877,768.85	732,683.34
Cash paid for employee benefit		5,713,070.01	-	5,713,070.01	-
Cash paid for income tax		(10,204,018.54)	(8,614,663.19)	(9,531,434.55)	(8,614,663.19)
Net Cash provided by (used in) Operating Activities		20,891,268.90	(48,200,934.56)	37,608,650.22	(48,029,853.59)

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

NCL International Logistics Public Company Limited and Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2016

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2016	2015	2016	2015
Cash Flow from Investing Activities					
Cash paid for purchase of property, plant and equipment		(3,637,062.18)	(24,447,039.91)	(1,160,698.82)	(22,631,278.69)
Cash received from sales of property, plant and equipment		4,823,702.68	1,616,822.43	4,848,854.58	1,616,822.43
Cash paid for purchase of intangible assets		(1,740,162.80)	(1,947,846.99)	-	(858,105.31)
Cash paid for investment in associate		(8,000,000.00)	-	(8,000,000.00)	-
Cash paid for investment in joint venture		(6,205,050.45)	-	(6,205,050.45)	-
Cash paid for investment in subsidiary		-	-	(5,999,990.00)	-
Cash received from sale of investment in associate		349,521.00	-	349,521.00	-
(Increase) decrease in fixed deposits pledged as collateral		20,051,482.30	(3,228,842.50)	20,051,482.30	(3,228,842.50)
Cash paid for short-term loan to related party		-	-	(11,000,000.00)	(17,967,800.00)
Net Cash provided by (used in) Investing Activities		5,642,430.55	(28,006,906.97)	(7,115,881.39)	(43,069,204.07)
Cash Flows from Financing Activities					
Increase (decrease) in bank overdraft and short - term loans from financial institutions		15,931,588.47	107,119,633.39	15,931,588.47	107,119,633.39
Cash received from non controlling interest		5,549,247.59	-	-	-
Increase (decrease) in short-term loan due to related party		(136,529.06)	136,529.06	-	-
Cash paid for long - term loans from financial institution		(6,400,000.00)	-	(6,400,000.00)	-
Cash received from long-term loan due from financial institution		30,000,000.00	-	30,000,000.00	-
Cash paid for obligation under finance leases		(31,257,654.53)	(28,086,957.69)	(31,257,654.53)	(28,086,957.69)
Cash paid for interest - obligation under finance leases		(1,944,571.38)	(4,724,467.25)	(1,944,571.38)	(4,079,134.43)
Interest paid		(7,402,868.47)	(4,079,134.43)	(7,387,167.42)	(4,724,467.25)
Dividend paid		-	(9,994,850.79)	-	(9,994,850.79)
Net Cash provided by Financing Activities		4,339,212.62	60,370,752.29	(1,057,804.86)	60,234,223.23
Effect of exchange rate changes on					
Cash and Cash Equivalent		(742,961.11)	383,451.33	-	-
Net Increase (Decrease) in Cash and Cash Equivalent		30,129,950.96	(15,453,637.91)	29,434,963.97	(30,864,834.43)
Cash and Cash Equivalent at Beginning of Year		68,555,975.72	84,009,613.63	42,167,613.97	73,032,448.40
Cash and Cash Equivalent at End of Year	26.1	98,685,926.68	68,555,975.72	71,602,577.94	42,167,613.97

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited And Its Subsidiaries

Notes to the Financial Statements

As at 31 December 2016

1. General information

NCL International Logistics Public Company Limited is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company's registered office is 56/9-10 Soi Taksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok.

The principal activities of the Company and subsidiary ("the Group") consisted of land transportation, freight forwarding and non vessel operating common carrier ("NVOCC").

2. Basis of preparation of financial statements

The consolidated and separate financial statements are presented in Thai language and Thai Baht, and in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of the Capital Market Supervisory Board under the Securities and Exchange Act B.E.2535 (or 1992).

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates. Although the management has most well prepared the figures of estimation from the understanding of events and the things that have been done presently.

The financial statements issued for Thai report purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after 1 January 2016.

TFRS No. 2 Share-based Payment (revised 2015)
 TFRS No. 3 Business Combinations (revised 2015)
 TFRS No. 4 Insurance Contracts (revised 2015)
 TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2015)
 TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2015)
 TFRS No. 8 Operating Segments (revised 2015)
 TFRS No. 10 Consolidated Financial Statements (revised 2015)
 TFRS No. 11 Joint Arrangements (revised 2015)
 TFRS No. 12 Disclosure of Interests in Other Entities (revised 2015)
 TFRS No. 13 Fair Value Measurement (revised 2015)
 TAS No. 1 Presentation of Financial Statements (revised 2015)
 TAS No. 2 Inventories (revised 2015)
 TAS No. 7 Statement of Cash Flows (revised 2015)
 TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)
 TAS No. 10 Events after the Reporting Period (revised 2015)
 TAS No. 11 Construction Contracts (revised 2015)
 TAS No. 12 Income Taxes (revised 2015)
 TAS No. 16 Property, Plant and Equipment (revised 2015)
 TAS No. 17 Leases (revised 2015)
 TAS No. 18 Revenue (revised 2015)
 TAS No. 19 Employee Benefits (revised 2015)
 TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)
 TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2015)
 TAS No. 23 Borrowing Costs (revised 2015)
 TAS No. 24 Related Party Disclosures (revised 2015)
 TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2015)
 TAS No. 27 Separate Financial Statements (revised 2015)
 TAS No. 28 Investments in Associates and Joint Ventures (revised 2015)
 TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2015)
 TAS No. 33 Earnings per Share (revised 2015)
 TAS No. 34 Interim Financial Reporting (revised 2015)
 TAS No. 36 Impairment of Assets (revised 2015)
 TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2015)
 TAS No. 38 Intangible Assets (revised 2015)
 TAS No. 40 Investment Property (revised 2015)
 TAS No. 41 Agriculture
 TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2015)
 TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2015)
 TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2015)
 TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies (revised 2015)
 TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2015)
 TFRIC No. 12 Service Concession Arrangements (revised 2015)
 TFRIC No. 13 Customer Loyalty Programmes (revised 2015)
 TFRIC No. 14 TAS 19 (revised 2015) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2015)
 TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2015)
 TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2015)
 TFRIC No. 18 Transfers of Assets from Customers (revised 2015)

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2015)
 TFRIC No. 21 Levies
 TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2015)
 TSIC No. 15 Operating Leases - Incentives (revised 2015)
 TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2015)
 TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2015)
 TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2015)
 TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2015)
 TSIC No. 32 Intangible Assets - Web Site Costs (revised 2015)

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the Group's financial statements for the current period.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

	<u>Effective date</u>
TFRS No. 2 Share-based Payment (revised 2016)	1 January 2017
TFRS No. 3 Business Combinations (revised 2016)	1 January 2017
TFRS No. 4 Insurance Contracts (revised 2016)	1 January 2017
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2016)	1 January 2017
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2016)	1 January 2017
TFRS No. 8 Operating Segments (revised 2016)	1 January 2017
TFRS No. 10 Consolidated Financial Statements (revised 2016)	1 January 2017
TFRS No. 11 Joint Arrangements (revised 2016)	1 January 2017
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2016)	1 January 2017
TFRS No. 13 Fair Value Measurement (revised 2016)	1 January 2017
TAS No. 1 Presentation of Financial Statements (revised 2016)	1 January 2017
TAS No. 2 Inventories (revised 2016)	1 January 2017
TAS No. 7 Statement of Cash Flows (revised 2016)	1 January 2017
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2016)	1 January 2017
TAS No. 10 Events after the Reporting Period (revised 2016)	1 January 2017
TAS No. 11 Construction Contracts (revised 2016)	1 January 2017
TAS No. 12 Income Taxes (revised 2016)	1 January 2017
TAS No. 16 Property, Plant and Equipment (revised 2016)	1 January 2017
TAS No. 17 Leases (revised 2016)	1 January 2017
TAS No. 18 Revenue (revised 2016)	1 January 2017
TAS No. 19 Employee Benefits (revised 2016)	1 January 2017
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2016)	1 January 2017
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2016)	1 January 2017
TAS No. 23 Borrowing Costs (revised 2016)	1 January 2017
TAS No. 24 Related Party Disclosures (revised 2016)	1 January 2017
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2016)	1 January 2017
TAS No. 27 Separate Financial Statements (revised 2016)	1 January 2017
TAS No. 28 Investments in Associates and Joint Ventures (revised 2016)	1 January 2017
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2016)	1 January 2017
TAS No. 33 Earnings per Share (revised 2016)	1 January 2017
TAS No. 34 Interim Financial Reporting (revised 2016)	1 January 2017
TAS No. 36 Impairment of Assets (revised 2016)	1 January 2017

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

	<u>Effective date</u>
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2016)	1 January 2017
TAS No. 38 Intangible Assets (revised 2016)	1 January 2017
TAS No. 40 Investment Property (revised 2016)	1 January 2017
TAS No. 41 Agriculture (revised 2016)	1 January 2017
TAS No. 104 Accounting for Troubled Debts Restructurings (revised 2016)	1 January 2017
TAS No. 105 Accounting for Investments in Debt and Equity Securities (revised 2016)	1 January 2017
TAS No. 107 Financial Instruments: Presentation and Disclosures (revised 2016)	1 January 2017
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2016)	1 January 2017
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2016)	1 January 2017
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2016)	1 January 2017
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies (revised 2016)	1 January 2017
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2016)	1 January 2017
TFRIC No. 12 Service Concession Arrangements (revised 2016)	1 January 2017
TFRIC No. 13 Customer Loyalty Programmes (revised 2016)	1 January 2017
TFRIC No. 14 TAS 19 (revised 2016) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2016)	1 January 2017
TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2016)	1 January 2017
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2016)	1 January 2017
TFRIC No. 18 Transfers of Assets from Customers (revised 2016)	1 January 2017
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2016)	1 January 2017
TFRIC No. 21 Levies (revised 2016)	1 January 2017
TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2016)	1 January 2017
TSIC No. 15 Operating Leases - Incentives (revised 2016)	1 January 2017
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2016)	1 January 2017
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2016)	1 January 2017
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2016)	1 January 2017
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2016)	1 January 2017
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2016)	1 January 2017
Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or Loss	1 January 2017

The Group has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management is currently assessing the first-year impact on the Group's financial statements.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Subsidiary are those entities under the control by the Group. The Group controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with subsidiaries. Subsidiary are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The consolidated financial statements consisted of the financial statements of NCL International Logistics Public Company Limited, and subsidiary (together referred to as “the Group”) which there was the structure of the Group as follows :

<u>Name of company</u>	<u>Nature of business</u>	<i><u>Country of incorporation</u></i>	Percentage of shareholding	
			<u>2016</u>	<u>2015</u>
NCL Inter Logistics (S) Pte. Ltd.	Logistics Provider	Singapore	100.00	100.00
Legend Shipping (Thailand) Co., Ltd.	Logistics Provider	Thailand	60.00	-
Legacy Asia Capital Pte. Ltd.	Logistics Provider	Singapore	70.00	-

Balances between the Company and its subsidiary, significant intercompany transactions have been eliminated from the consolidated financial statements.

The financial statements of the subsidiary are prepared using the same significant accounting policies as applied to the Company.

The financial statements of the subsidiary are prepared using the same reporting period as applied to the Company.

The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation” in the statements of changes in shareholders’ equity.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

4. Accounting policies

4.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

4.2 Trade account receivable

Trade accounts receivable are carried in *the* statement of financial position *at* the amount expected to be collectible. Allowance for doubtful receivables are estimated by analysis of payment histories and review of all outstanding amounts at the end of the reporting period. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.3 Investments

Investments in associates

Investments in associates are accounting for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any). And investments in associates are accounted for using the equity method in the consolidated financial statements.

Investments in joint ventures

Investments in joint ventures are accounting for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any). And investments in joint ventures is accounted for using the equity method in the consolidated financial statements.

Where there is the necessary, accounting policies of associates and joint ventures have been changed to ensure consistency with the policies adopted by the Group. The financial statements of the associates and joint ventures are prepared for the same reporting periods as the Company.

Investments in subsidiaries

Investments in subsidiaries are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

4.4 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation is measured initially at its costs, including transaction cost. Subsequent to initial recognition, investment property is measured at the cost method net from the allowance for impairment (if any).

4.5 Property, plant and equipment

Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any).

Buildings and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (if any).

The Group's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

	<u>Year</u>
Office building and factory	5 - 30
Equipment and facility system	3 - 5
Motor vehicles	5 - 20

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year end.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

4.6 Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives such as computer software, are stated at cost less accumulated amortization and amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives (10 years).

4.7 Accounting for leases

Where the Group is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. ***Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged*** in profit or loss ***over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.*** The assets ***acquired under finance leases*** while depreciation is carried throughout the useful life of leased asset. However, if there ***is*** uncertainty in the right of ownership when the contract is terminated, ***depreciation*** is carried according to ***useful life of leased assets or life of leased contract whichever the period is lower.***

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. ***Payments made under operating leases (net of any incentives received from the lessor) are charged*** in profit or loss ***on a straight-line basis over the period of the lease.***

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Where the Group is the lesser

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.9 Impairment of assets

The carrying amounts of the Group's assets and also intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication ***that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.***

The Group will recognize impairment losses in profit or loss, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized in profit or loss or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

4.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable ***that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.***

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

4.11 Provision for decommissioning cost

The Group recognises provision for the parking lot costs, which are provided at the onset of completion of the project, for the estimate of the eventual cost that relate to the removal of the parking lot. The recognised provision for decommissioning cost are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by management. Those cost are included as part of the parking lot.

4.12 Revenue recognition

Revenue from outward freight forwarding is recognised upon shipment. Revenue from inward freight forwarding is recognised when delivery order (D/O) are delivered. Revenues from transportation are recognised when goods and delivered.

Revenues from warehouse and distribution management and custom brokerage services are recognised when services have been rendered.

Rental income is recognised as income over the lease period.

Income interest is recognised on an accrual basis unless collectability is in doubt.

4.13 Retirement benefit costs

Defined contribution plan

The Group operates a provident fund which is funded by payments from employees and by the Group. ***The assets for which are held in a separate trust fund. Contributions to the provident fund are*** recognized in profit or loss in the period in which they are incurred.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

Defined benefit plan

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, current service cost and related interest expense. The current service cost and interest expense are recognized in profit or loss. Actuarial gains and losses arising from re-measurement of the employee benefit obligation are recognized in other comprehensive income and transferred in retained earnings, respectively without reclassification of those amounts to profit or loss in a subsequent period

4.14 Foreign currency transactions

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. ***Monetary assets and liabilities at the end of the reporting period denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date.*** Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are ***recognised in profit or loss as incurred.***

4.15 Income tax

The Group recognizes the unpaid current tax for current period as a liability in the statement of financial position. In a case where the amount already paid in respect of current period exceeds the amount due for such period, the excess will be recognized as an asset in the statement of financial position.

The Group recognizes a deferred tax liability for all taxable temporary difference, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit at the time of the transaction. The Group recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. And the Group recognizes a deferred tax asset for all deductible temporary differences arising from investment in subsidiaries and associates, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group measures the current tax liabilities and assets for the current period using the tax rate that have been enacted by the end of the reporting period. And the deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that have been enacted or substantively enacted by the end of the reporting period.

The Group recognizes the current and deferred tax as an income or an expense and includes it in profit or loss for the period, except the current and deferred tax for items that are recognized in the other comprehensive income or directly in the equity will be recognized in the other comprehensive income or directly in the equity.

4.16 Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, investment in equity securities, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this note.

4.17 Critical accounting estimates, assumption and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Plant equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's plant equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

Financial lease/ Operation lease

The Group has entered into lease agreements for rental vehicle and equipment. The Group has determined, based on an evaluation on terms and conditions of the arrangements, that the lease transfers ownership of these assets to the lessee, and so accounts for the contracts as financial leases.

Employment benefits

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.

5. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

As at 31 December 2016, Phuathavornskul family is a major shareholder, holding 49.64% (2015 : 50.53%) of the share capital of the NCL International Logistics Public Company Limited. Transactions related to companies in which the Phuathavornskul family is the principal shareholders or directors are recognised as related parties to the Company.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The transactions with related parties for the years ended 31 December 2016 and 2015 and as follows:

5.1 Inter-assets and liabilities

(Unit : Baht)

	Consolidated		Separate financial statement	
	2016	2015	2016	2015
Trade receivables				
Great&Grammer (Thailand) Co.,Ltd.	43,284.90	15,559.17	43,284.90	15,559.17
Legend Shipping (Thailand) Co., Ltd.	-	-	112,621.78	-
NCL Inter Logistics (S) Pte.Ltd.	-	-	3,631,496.05	432,999.70
S.S.K Group Sales and Service Co., Ltd.	290,521.77	-	290,521.77	-
S.S.K Inter Logistics Co., Ltd.	3,533.00	-	3,533.00	-
Legend Shipping PTE Ltd.	1,291,582.42	-	24,266.17	-
Legend Shipping (India) LLP	1,444,099.38	-	641,858.40	-
Legacy Tank PTE Ltd.	711,396.45	-	-	-
Total	3,784,417.92	15,559.17	4,747,582.07	448,558.87
Receivable from assets acquisition				
S.S.K Inter Logistics Co., Ltd.	644,948.92	-	644,948.92	-
Custom brokerage receivable				
S.S.K Group Sales and Service Co., Ltd.	45,418.04	-	45,418.04	-
S.S.K Inter Logistics Co., Ltd.	1,500.00	-	1,500.00	-
Great&Grammer (Thailand) Co.,Ltd.	-	153,757.00	28,330.21	153,757.00
Total	46,918.04	153,757.00	75,248.25	153,757.00
Advance payment				
NCL Inter Logistics (S) Pte.Ltd.	-	-	509,513.69	973,258.82
Legend Shipping (Thailand) Co., Ltd.	-	-	78,684.28	-
Total	-	-	588,197.97	973,258.82
Accrued rental				
S.S.K Inter Logistics Co., Ltd.	810,000.00	-	810,000.00	-
Accrued interest				
NCL Inter Logistics (S) Pte.Ltd.	-	-	88,851.94	106,687.29
Legend Shipping (Thailand) Co., Ltd.	-	-	139,549.19	-
Total	-	-	228,401.13	106,687.29
Total other receivables	1,501,866.96	153,757.00	2,346,796.27	1,233,703.11
Total trade and other receivables	5,286,284.88	169,316.17	7,094,378.34	1,682,261.98

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term loans due from related parties				
Legend Shipping (Thailand) Co., Ltd.				
Opening balance	-	-	-	-
Increased during the period	-	-	11,000,000.00	-
Repayment in during the period	-	-	-	-
Ending balance	-	-	11,000,000.00	-
S.S.K Inter Logistics Co., Ltd.				
Opening balance	-	-	-	-
Increased during the period	10,000,000.00	-	10,000,000.00	-
Repayment in during the period	(10,000,000.00)	-	(10,000,000.00)	-
Ending balance	-	-	-	-
NCL Inter Logistics (S) Pte.Ltd.				
Opening balance	-	-	17,961,650.00	-
Increased during the period	-	-	-	17,967,800.00
Transfer to be investment	-	-	(8,942,185.22)	-
Effects of exchange rate	-	-	(182,559.80)	(6,150.00)
Ending balance	-	-	8,836,904.98	17,961,650.00
Total	-	-	19,836,904.98	17,961,650.00
Deposit payment				
Transoffshore Logistics Pte.Ltd.	-	18,494,850.00	-	18,494,850.00
<u>Less</u> Loss on written off	-	(18,494,850.00)	-	(18,494,850.00)
	-	-	-	-
Trade payables				
S.S.K Inter Logistics Co., Ltd.	816,507.20	-	816,507.20	-
Legend Shipping (Thailand) Co., Ltd.	-	-	97,679.33	-
Legend Shipping PTE Ltd.	1,281,599.35	-	2,067.98	-
Legend Shipping (India) LLP	809,973.44	-	-	-
NCL Inter Logistics (S) Pte.Ltd.	-	-	1,751,098.96	967,173.80
Total	2,908,079.99	-	2,667,353.47	967,173.80
Other payable				
NCL Inter Logistics (S) Pte.Ltd.	-	-	-	327,000.00

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accrued bonus				
Director	798,216.28	-	798,216.28	-
Accrued commission				
Director	-	1,203,414.51	-	1,203,414.51
Accrued pension				
Director	-	340,000.00	-	340,000.00
Cheque payables				
S.S.K Inter Logistics Co., Ltd.	248,836.60	-	248,836.60	-
Total other payables	1,047,052.88	1,543,414.51	1,047,052.88	1,870,414.51
Total trade and other payables	3,955,132.87	1,543,414.51	3,714,406.35	2,837,588.31
Short-term loans due to related party				
Transoffshore Logistics Pte.Ltd.*				
Opening balance	136,529.06	-	-	-
Increased during the period	-	136,529.06	-	-
Collected during the period	(136,529.06)	-	-	-
Ending balance	-	136,529.06	-	-
Purchase property, plants and equipment				
Director	-	15,716,159.00	-	15,716,159.00

As at 31 December 2016 and 2015, the subsidiary in Singapore had loans from the Company in form of loan agreement endure for a period 1 year, bear interest between 4.00% per annum.

As at 31 December 2016, the subsidiary in Thailand had loans from the Company in form of loan agreement endure for a period 3 Months, bear interest between 7.50% per annum.

As at 31 December 2016, the joint venture in Thailand had loans from the Company in form of loan agreement endure for a period 3 Months, bear interest between 7.50% per annum.

As at 31 December 2015, the subsidiary in Singapore had loans from the related company in Singapore, repayable upon demand and no interest charge without making a contract. For the year ended 31 December 2016, the subsidiary has paid the whole amount of such loans already.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

5.2 Inter-revenue and expenses

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Freight forwarder income				
S.S.K Group Sales and Service Co., Ltd.	7,877,860.15	-	7,877,860.15	-
S.S.K Inter Logistics Co., Ltd.	4,797,232.46	-	4,797,232.46	-
Legend Shipping (India) LLP	11,740,894.04	-	8,176,095.28	-
Legend Shipping (Myanmar)	2,370,631.93	-	2,370,631.93	-
Legend Shipping PTE Ltd.	30,117,989.07	-	11,420,292.46	-
Legacy Tank PTE Ltd.	2,045,363.19	-	100,773.27	-
NCL Inter Logistics (S) Pte.Ltd.	-	-	11,341,169.20	3,914,475.72
Transoffshore Logistics Pte.Ltd.	-	25,710,602.76	-	25,710,602.76
Great&Grammer (Thailand) Co.,Ltd.	185,788.29	292,842.62	185,788.29	292,842.62
Total	59,135,759.13	26,003,445.38	46,269,843.04	29,917,921.10
Rental revenue				
Legend Shipping (Thailand) Co., Ltd.	-	-	30,000.00	-
S.S.K Inter Logistics Co., Ltd.	14,492,842.11	-	14,492,842.11	-
Total	14,492,842.11	-	14,522,842.11	-
Service revenue				
Legend Shipping (Thailand) Co., Ltd.	-	-	800,000.00	-
Interest income				
NCL Inter Logistics (S) Pte.Ltd .	-	-	461,019.37	-
Legend Shipping (Thailand) Co., Ltd..	-	-	183,196.73	-
S.S.K Inter Logistics Co., Ltd.	294,774.59	-	294,774.59	-
Total	294,774.59	-	938,990.69	-

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Service cost				
S.S.K Inter Logistics Co., Ltd.	497,500.00	-	497,500.00	-
Legend Shipping (India) LLP	7,099,472.30	-	6,276,185.65	-
Legend Shipping (Myanmar)	8,714,008.06	-	5,471,424.37	-
Legend Shipping PTE Ltd.	8,147,266.70	-	3,667,371.93	-
NCL Inter Logistics (S) Pte.Ltd.	-	-	9,102,623.54	13,613,211.76
Legacy Tank PTE Ltd.	143,524.68	-	36,205.02	-
Transoffshore Logistics Pte.Ltd.	-	44,629,224.74	-	44,629,224.74
Total	24,601,771.74	44,629,224.74	25,051,310.51	58,242,436.50
Rental fee				
Director	-	720,000.00	-	720,000.00
Closed family of director	94,740.00	94,740.00	94,740.00	94,740.00
Total	94,740.00	814,740.00	94,740.00	814,740.00

5.3 Management benefit expenses

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	25,925,751.01	23,670,410.21	20,324,607.92	23,670,410.21
Post-employment benefits	651,087.00	567,674.00	651,087.00	567,674.00
	26,576,838.01	24,238,084.21	20,975,694.92	24,238,084.21

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

5.4 Nature of relationship

<u>Company</u>	<u>Relationship</u>
NCL Inter Logistics (S) Pte.Ltd.	Held by direct and mutual management
S.S.K Inter Logistics Co., Ltd.	Held by direct
S.S.K Group Sales and Service Co., Ltd.	Mutual shareholders in joint venture
Legend Shipping (Thailand) Co., Ltd.	Held by direct and mutual management
Legend Shipping PTE Ltd.	Shareholders in subsidiaries
Legend Shipping (India) LLP	Shareholders together with its subsidiary
Legend Shipping (Myanmar)	Shareholders together with its subsidiary
Legacy Tank PTE Ltd.	Shareholders together with its subsidiary
Transoffshore Logistics Pte.Ltd. *	Held by direct and executive director
Unitrans Global Co.,Ltd.	Mutual management.
VP International Logistics (Thailand) Co.,Ltd.	Shareholding and common directors
Sevenday Dialysis Co.,Ltd.	Held by closed family of director
Great&Grammer (Thailand) Co.,Ltd.	Mutual shareholders
Grace Water Med Co.,Ltd.	Held by direct and mutual management

* The Company disposed such investment on 18 March 2016

5.5 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Purchase – disposal on assets	Based on appraised value by an independent appraiser
Inter - transportation fee	Price similar to outsider
Service fee	At cost + 10% - 30%
Rental fee building for document storage	Contract price
Rental fee vehicle (prime-mover and trailers)	Cost + 20% - 60%
Rental fee office building	Based on appraised value by an independent appraiser
Managemet fee	Contract price

5.6 Obligation

As at 31 December 2016 and 2015, the Company entered a lease agreement for building with a closed of family of director for a period of three years with option to renew. The Company was committed to pay for such rental in amount of Baht 0.09 million per year.

As at 31 December 2016 the Company entered into 2 lease agreements for land included constructions with a related company for the period of 3 years. The related company has the obligation to pay the rental fee at Baht 250,000.00 per month for the first six-month and after that will pay the rental fee at Baht 270,000.00 per month.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

As at 31 December 2016, the subsidiary entered a lease agreement for building with the joint venture for a period of three years. The subsidiary was committed to pay for such rental in amount of Baht 45,000 per month for the first six months and then pay rent 60,000 baht per month.

As at 31 December 2016, the subsidiary entered a management agreement. The subsidiary was committed to pay for such rental in amount of Baht 100,000 per month

During **2015**, the Company entered a service agreement with an associate in Singapore. The Company was committed to share the compensation at the rate 50% of the gross margin from shipping revenues to such associate. At the present, the Company has ceased such service.

6. Trade and other receivable – related parties

Consisted of

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade account receivables				
Within credit term	1,313,765.31	15,559.17	2,217,149.81	137,182.89
Overdue less than 3 months	984,451.42	-	1,864,307.69	311,375.98
Overdue 3 – 6 months	84,064.55	-	-	-
Overdue 6 – 12 months	716,087.18	-	666,124.57	-
Overdue over 12 months	-	-	-	-
Total	3,098,368.46	15,559.17	4,747,582.07	448,558.87
Other receivables	1,467,719.25	-	1,398,197.97	973,258.82
Custom brokerage receivable	75,248.25	153,757.00	75,248.25	153,757.00
Receivable from assets acquisition	644,948.92	-	644,948.92	-
Accrued Interest	-	-	228,401.13	106,687.29
Total	5,286,284.88	169,316.17	7,094,378.34	1,682,261.98

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

Outstanding custom brokerage receivable can be aged as follow:

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Within credit term	7,457.91	153,757.00
Overdue less than 3 months	67,790.34	-
Overdue 3 – 6 months	-	-
Overdue 6 – 12 months	-	-
Overdue over 12 months	-	-
Total	<u>75,248.25</u>	<u>153,757.00</u>

7. Trade and other receivable – third parties

Consisted of

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables				
Post dated cheques	1,213,101.38	1,406,135.41	1,141,499.86	1,406,135.41
Trade receivables	124,840,433.04	152,779,738.29	104,330,509.64	144,994,264.48
Total	126,053,534.42	154,185,873.70	105,472,009.50	146,400,399.89
<u>Less</u> Allowance for doubtful debts	(9,685,488.56)	(7,729,590.42)	(9,685,488.56)	(7,729,590.42)
Net	116,368,045.86	146,456,283.28	95,786,520.94	138,670,809.47
Other receivables				
Custom brokerage receivable	7,038,214.67	10,837,721.37	7,038,214.67	10,837,721.37
<u>Less</u> Allowance for doubtful debts	(14,748.21)	(1,549.41)	(14,748.21)	(1,549.41)
Net	7,023,466.46	10,836,171.96	7,023,466.46	10,836,171.96
Other receivables	5,165,755.66	5,230,288.76	2,254,719.66	4,448,282.22
<u>Less</u> Allowance for doubtful debts	(87,418.16)	(87,418.16)	(87,418.16)	(87,418.16)
Net	5,078,337.50	5,142,870.60	2,167,301.50	4,360,864.06
Deposit payment	4,596,007.00	1,381,819.40	4,596,007.00	1,381,819.40
Prepaid insurance	306,801.39	2,596,823.47	139,989.86	2,596,823.47
Total other receivables	17,004,612.35	19,957,685.43	13,926,764.82	19,175,678.89
Total trade and other receivables	<u>133,372,658.21</u>	<u>166,413,968.71</u>	<u>109,713,285.76</u>	<u>157,846,488.36</u>

Outstanding trade receivable – third parties can be aged as follow:

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Within credit term	65,905,970.23	79,860,788.40	54,912,931.00	76,128,364.67
Overdue less than 3 months	39,260,134.36	53,527,779.79	30,504,552.38	49,984,021.37
Overdue 3 – 6 months	2,400,112.99	3,779,940.37	1,648,345.89	3,270,648.71
Overdue 6 – 12 months	2,436,002.85	7,931,846.77	2,354,866.24	7,931,846.77
Overdue over 12 months	16,051,313.99	9,085,518.37	16,051,313.99	9,085,518.37
Total	126,053,534.42	154,185,873.70	105,472,009.50	146,400,399.89
<u>Less</u> Allowance for doubtful debts	(9,685,488.56)	(7,729,590.42)	(9,685,488.56)	(7,729,590.42)
Net	116,368,045.86	146,456,283.28	95,786,520.94	138,670,809.47

The movement allowance for doubtful debts – trade receivable – third parties for the year ended 31 December 2016 and 2015 are as follow : -

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Beginning balance	(7,729,590.42)	(9,985,845.29)
Additions during the year	(1,883,232.78)	(631,034.79)
Collect during the year	-	2,887,289.66
Effective from exchange rate changes	(72,665.36)	-
Ending balance	(9,685,488.56)	(7,729,590.42)

Outstanding custom brokerage receivable can be aged as follow:

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Within credit term	4,398,826.89	6,066,589.83
Overdue less than 3 months	2,508,069.65	4,755,902.89
Overdue 3 – 6 months	38,650.10	9,659.44
Overdue 6 – 12 months	77,919.82	4,019.80
Overdue over 12 months	14,748.21	1,549.41
Total	<u>7,038,214.67</u>	<u>10,837,721.37</u>
<u>Less</u> Allowance for doubtful debts	<u>(14,748.21)</u>	<u>(1,549.41)</u>
Net	<u><u>7,023,466.46</u></u>	<u><u>10,836,171.96</u></u>

The movement allowance for doubtful debts custom brokerage receivable for the year ended 31 December 2016 and 2015 are as follow : -

(Unit : Baht)

	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Beginning balance	(1,549.41)	(1,549.41)
Additions during the year	(13,198.80)	-
Collect during the year	-	-
Ending balance	<u>(14,748.21)</u>	<u>(1,549.41)</u>

The movement allowance for doubtful debts other receivables-third parties for the year ended 31 December 2016 and 2015 are as follow : -

(Unit : Baht)

	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Beginning balance	(87,418.16)	(87,418.16)
Additions during the year	-	-
Collect during the year	-	-
Ending balance	<u>(87,418.16)</u>	<u>(87,418.16)</u>

The Company provides credit term to its customers for a period not exceeding 60 days.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The Company has a policy of allowance for doubtful accounts receivable at 100% of the debtor which no contact with the Company anymore and overdue more than 181 days. (If the same customer has the outstanding both debtor and creditor. The Company will recorded the allowance for doubtful by the amount of debtor deducted by amount of creditor).

8. Fixed deposit pledged as collateral

The whole amount is the fixed deposits which are pledged as collateral so as to guarantee against credit facility that the Company received from several commercial banks.

9. Investment in associate

The nature and carrying value of investment in associate can be summarized as follows:-

Name of company	Nature of business	Country of incorporation	(Unit : Million Bath)		Percentage		(Unit : Million Bath)				
			Paid-up capital		% of holding		Equity Method		Cost Method		
			2016	2015	2016	2015	2016	2015	2016	2015	
All individual material associate											
Grace Water Med Co.,Ltd.	Producing reagents dialysis	Thai	18.00	-	44.44%	-	7.59	-	8.00	-	
Name of company	Nature of business	Country of incorporation	(Unit : Million SGD)		Percentage		(Unit : Million Bath)				
			Paid-up capital		% of holding		Equity Method		company		
			2016	2015	2016	2015	2016	2015	2016	2015	
All individual immaterial associate											
Transoffshore Logistics Pte.Ltd.	Logistics Provider	Singapore	1.00	1.00	22.22%	22.22%	-	-	-	32.75	
Less Allowance for impairment							-	-	-	(32.75)	
Net							-	7.59	-	8.00	-

On 22 December 2014, the Company has purchased 222,222 ordinary shares of Transoffshore Logistics Pte. Ltd. at Baht 147.38 per share, equivalent to 22.22% of the called and paid up share capital. The shares was purchased from the said company's existing shareholders. The Company has assigned representatives to join the said company's board of directors.

In accordance with the minutes of the Company's board of directors' meeting No. 7/2015 held on 12 November 2015, it resolved to approve the selling of the investment of Transoffshore Logistics Pte. Ltd.'s associated company in Singapore.

Financial information of associates that are material can be summarized as follows :-

(Unit : Baht)

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

	Grace Water Med Co.,Ltd.	
	<u>2016</u>	<u>2015</u>
Current assets	4,266,285.56	-
Non-current assets	14,805,123.56	-
Current liabilities	1,987,628.79	-
Non-current liabilities	-	-
Non-controlling interests	9,492,192.83	-

(Unit : Baht)

	Grace Water Med Co.,Ltd.	
	<u>2016</u>	<u>2015</u>
Revenues	2,706,900.28	-
Other comprehensive income	-	-
Total comprehensive loss	(915,419.67)	-
Dividend received from the associate	-	-

The reconciliation of the above financial information to the carrying amount which is accounted for using the equity method in the consolidated financial statements can be summarized as follows :-

	(Unit : Baht)	
	Grace Water Med Co.,Ltd.	
	<u>2016</u>	<u>2015</u>
Net assets	17,084,580.33	-
Group's interest in the associate	44.44%	-
Group's share in the net assets	7,593,146.81	-
Adjustment for using the equity method	-	-
Goodwill	-	-
Carrying amount under the equity method	<u>7,593,146.81</u>	<u>-</u>

10. Investment in joint venture

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The nature of business and the carrying value of investment in joint ventures can be summarized as follows :-

Name of company	Nature of business	Country of incorporation	(Unit : million Baht)		Percentage		(Unit : Million Bath)			
			<i>Paid-up capital</i>		% of holding		<i>Equity Method</i>		<i>Cost Method</i>	
			<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
All individual material joint ventures										
S.S.K Inter Logistics Co., Ltd.	Transportation	Thailand	290.00	-	43.48%	-	112.72	-	127.15	-

In January 2016, the Company has purchased 50,000 ordinary shares of Transoffshore Logistics Pte. Ltd. at Baht 10 per share, equivalent to 50% of the called up capital. Later, in June 2016, SSK Inter Logistics Co., Ltd. has increased its capital from formerly Baht 1.00 million to Baht 290.00 million. The Company purchased 12,664,999 new ordinary shares at Baht 10.00 per share, equivalent to 43.48%. The Company agreed to manage the said entity as jointly controlled entity with a joint-investor of the said company.

Financial information of associates that are material can be summarized as follows :-

	(Unit : Baht)
	S.S.K Inter Logistics Co., Ltd.
	<u>2016</u>
Current assets	34,615,105.78
Non-current assets	340,660,265.05
Current liabilities	46,067,930.70
Non-current liabilities	67,613,872.86
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	4,146,654.97
Current financial liabilities (excluding payables and provisions)	22,903,591.18
Non-current financial liabilities (excluding payables and provisions)	66,097,932.32

Financial information of joint ventures that are material can be summarized as follows :-

	(Unit : Baht)
.....DirectorDirector
(Ms.Pornthip Sae-lim)	(Ms.Netirad Sang-ngam)

S.S.K Inter Logistics Co., Ltd.

	<u>2016</u>
Revenue	129,019,651.35
Profit from continuing operations	(28,406,432.73)
Other comprehensive income	-
Total comprehensive income	(28,406,432.73)
Dividend received from the associate	-

The above revenue and profit (loss) include the following:

Interest income	17,429.37
Depreciation and amortization expense	5,682,010.56
Interest expense	2,745,307.48
Income tax expense	261,662.54

The reconciliation of the above financial information to the carrying amount which is accounted for using the equity method in the consolidated financial statements can be summarized as follows :-

	(Unit : Baht)
	S.S.K Inter Logistics Co., Ltd.
	<u>2016</u>
Net assets	261,593,567.27
Group's interest in the associate	43.48%
Group's share in the net assets	114,695,239.53
Adjustment for using the equity method	
Unrecognized share of losses	(1,977,179.41)
Carrying amount under the equity method	112,718,060.12

11. Investment in subsidiaries

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows :-

Name of Company	Nature of business	Country of incorporation	(Unit : Million SGD)		%		(Unit : Million Baht)			
			Paid-up capital		Investment portion		Cost method		Dividends	
			2016	2015	2016	2015	2016	2015	2016	2015
<u>Subsidiary don't having non-controlling interests</u>										
NCL Inter Logistics (S) Pte. Ltd.	Logistics provider	Singapore	0.70	0.50	100.00	100.00	17.80	12.47	-	-

Name of Company	Nature of business	Country of incorporation	(Unit : Million Baht)		%		(Unit : Million Baht)			
			Paid-up capital		Investment portion		Cost method		Dividends	
			2016	2015	2016	2015	2016	2015	2016	2015
<u>Subsidiary having material non-controlling interests</u>										
Legend Shipping (Thailand) Co., Ltd.	Logistics provider	Thailand	10.00	-	60.00	-	6.00	-	-	-

Name of Company	Nature of business	Country of incorporation	(Unit : Million USD)		%		(Unit : Million Baht)			
			Paid-up capital		Investment portion		Cost method		Dividends	
			2016	2015	2016	2015	2016	2015	2016	2015
<u>Subsidiary having material non-controlling interests</u>										
Legacy Asia Capital Pte. Ltd.	Logistics provider	Singapore	0.20	-	70.00	-	3.61	-	-	-
							27.41	12.47	-	-

Information on subsidiaries having non-controlling interests can be summarized as follows:

	(Million Baht)		Investment portion (%)		Non-controlling interest (Million Baht)		Profit (loss) allocated to non-controlling interest (Million Baht)	
	Paid-up capital							
	2016	2015	2016	2015	2016	2015	2016	2015
<u>Subsidiaries having material non-controlling interests</u>								
Legend Shipping (Thailand) Co., Ltd.	10.00	-	40.00	-	(3.06)	-	(7.06)	-
	(Million USD)		Investment portion (%)		Non-controlling interest (Million Baht)		Profit (loss) allocated to non-controlling interest (Million Baht)	
	Paid-up capital							
	2016	2015	2016	2015	2016	2015	2016	2015
<u>Subsidiaries having immaterial non-controlling interests</u>								
Legacy Asia Capital Pte. Ltd.	0.20	-	30.00	-	1.30	-	(0.25)	-
Total					(1.76)	-	(7.31)	-

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

Financial information before inter-company eliminations of the subsidiaries having non-controlling interests that are material can be summarized as follows:

(Unit : Baht)

	Legend Shipping (Thailand) Co., Ltd.		Legacy Asia Capital Pte. Ltd.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	14,741,372.96	-	5,236,577.84	-
Non-current assets	3,378,043.33	-	-	-
Current liabilities	25,760,329.01	-	696,870.31	-
Non-current liabilities	-	-	-	-
Owners of the parent	(4,584,547.63)	-	3,239,640.96	-
Non-controlling interest	(3,056,365.09)	-	1,300,066.57	-

(Unit : Baht)

	Legend Shipping (Thailand) Co., Ltd.		Legacy Asia Capital Pte. Ltd.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues	81,236,327.76	-	1,739,126.63	-
Profit (loss) from continuing operations	(17,640,912.72)	-	(755,077.77)	-
Post-tax profit (loss) from discontinued operation	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(17,640,912.72)	-	(755,077.77)	-
Dividend paid to non-controlling interest	-	-	-	-

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

12. Investment Properties

Consisted of:-

(Unit : Baht)

	Consolidate/Separate financial statements		
	<u>Land and land</u>	<u>Buildings and</u>	<u>Total</u>
	<u>improvement</u>	<u>building</u>	
		<u>improvement</u>	
Cost:-			
As at 1 January 2016	-	-	-
Transfer from property, plant and equipment	56,704,970.72	22,173,423.28	78,878,394.00
As at 31 December 2016	56,704,970.72	22,173,423.28	78,878,394.00
Allowance for impairment:-			
As at 1 January 2016	-	-	-
Depreciation for the year	(791,761.45)	(886,939.46)	(1,678,700.91)
As at 31 December 2016	(791,761.45)	(886,939.46)	(1,678,700.91)
Net book value:-			
As at 31 December 2016	55,913,209.27	21,286,483.82	77,199,693.09
Depreciation for the year ended 31 December 2016			1,678,700.91

As at 31 December **2016**, the Group has mortgaged the land plus property with carrying amounts of Baht 78.88 million in order to guarantee against credit facility that the Group receives from one commercial bank in the credit line of Baht 510.00 million

On 27 January 2016, the independent appraiser, First Star consultants Co., Ltd., appraises the value of land by applying the income comparison approach (based on the highest and best use principle) by using the rate of return on investment property and growth rate of income, and it appears that the fair value of land is equal to Baht 76.90 million.

TFRS No.13 “Fair Value Measurement” establishes a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value, as follows:

Level 1 : The inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : The inputs are observable inputs for the asset or liability, either directly or indirectly.

Level 3 : The inputs are unobservable inputs for the asset or liability.

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

Information on the level of the fair value hierarchy within the fair value measurements as at 31 December 2016, is as follows:

(Unit : Baht)

Financial assets and liabilities	Fair value	Fair value hierarchy	Valuation techniques	Inputs used to measure fair value categorizes as Level 2 / Level 3 of the fair value hierarchy
<i>Investment property</i>	<i>76.90</i>	<i>Level 3</i>	Income approach	The rate of increase in rental income of <i>7-10%</i> and a discount rate of <i>10-12%</i> .

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

13. Property, plant and equipment

Consisted of

	Consolidate					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2016	57,738,548.91	24,909,311.33	202,610,134.37	14,797,696.36	22,913,099.05	322,968,790.02
Purchases	-	987,570.00	-	2,663,776.68	-	3,651,346.68
Transfer in	5,380,274.72	16,792,760.28	-	719,229.00	-	22,892,264.00
Transfer out	-	-	-	-	(22,892,264.00)	(22,892,264.00)
Disposal	(121,473.93)	(928,056.09)	(5,851,490.00)	(2,839,309.15)	-	(9,740,329.17)
Write off	-	-	-	(625,633.45)	-	(625,633.45)
Transfer to investment property	(56,704,970.72)	(22,173,423.28)	-	-	-	(78,878,394.00)
Transfer to investment in joint ventures	-	-	(179,754,572.83)	-	-	(179,754,572.83)
Exchange differences on translation	-	-	-	75,476.52	(20,835.05)	54,641.47
As at 31 December 2016	6,292,378.98	19,588,162.24	17,004,071.54	14,791,235.96	-	57,675,848.72
Accumulated depreciation :-						
As at 1 January 2016	(266,402.02)	(10,984,615.69)	(51,795,684.61)	(9,016,563.37)	-	(72,063,265.69)
Depreciation charges for the year	(352,659.93)	(670,188.38)	(8,736,012.85)	(1,294,161.52)	-	(11,053,022.68)
Disposal	34,585.07	91,392.39	3,457,317.17	1,587,810.44	-	5,171,105.07
Write off	-	-	-	621,335.98	-	621,335.98
Transfer to Investment in joint ventures	-	-	47,853,736.90	-	-	47,853,736.90
Exchange differences on translation	-	-	-	(114,149.72)	-	(114,149.72)
As at 31 December 2016	(584,476.88)	(11,563,411.68)	(9,220,643.39)	(8,215,728.19)	-	(29,584,260.14)
Net book value :-						
As at 31 December 2016	5,707,902.10	8,024,750.56	7,783,428.15	6,575,507.77	-	28,091,588.58
Depreciation for the year ended 31 December 2016						11,053,022.68

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

	Consolidate					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2015	47,383,001.36	20,086,661.74	169,069,835.65	11,652,485.50	22,888,119.90	271,080,104.15
Purchases	10,788,696.00	4,520,663.00	38,592,149.56	3,798,409.35	795,177.25	58,495,095.16
Transfer in	-	795,177.25	-	-	-	795,177.25
Transfer out	-	-	-	-	(795,177.25)	(795,177.25)
Disposal	-	-	(5,051,850.84)	-	-	(5,051,850.84)
Write off	(433,148.45)	(493,190.66)	-	(667,346.53)	-	(1,593,685.64)
Exchange differences on translation	-	-	-	14,148.04	24,979.15	39,127.19
As at 31 December 2015	57,738,548.91	24,909,311.33	202,610,134.37	14,797,696.36	22,913,099.05	322,968,790.02
Accumulated depreciation :-						
As at 1 January 2015	(123,220.17)	(10,138,814.60)	(38,792,279.38)	(7,230,755.39)	-	(56,285,069.54)
Depreciation charges for the year	(299,750.08)	(933,263.58)	(16,464,930.57)	(2,441,609.91)	-	(20,139,554.14)
Disposal	-	-	3,461,525.34	-	-	3,461,525.34
Write off	156,568.23	87,462.49	-	667,168.52	-	911,199.24
Exchange differences on translation	-	-	-	(11,366.59)	-	(11,366.59)
As at 31 December 2015	(266,402.02)	(10,984,615.69)	(51,795,684.61)	(9,016,563.37)	-	(72,063,265.69)
Net book value :-						
As at 31 December 2015	57,472,146.89	13,924,695.64	150,814,449.76	5,781,132.99	22,913,099.05	250,905,524.33
Depreciation for the year ended 31 December 2015						20,139,554.14

.....Director

(Ms.Pornthip Sae-lim)

.....Director

(Ms.Netirad Sang-ngam)

	Separate financial statements					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2016	57,738,548.91	24,504,291.68	202,610,134.37	12,973,470.83	22,173,035.00	319,999,480.79
Purchases	-	-	-	1,174,983.32	-	1,174,983.32
Transfer in	5,380,274.72	16,792,760.28	-	-	-	22,173,035.00
Transfer out	-	-	-	-	(22,173,035.00)	(22,173,035.00)
Transfer to investment property	(56,704,970.72)	(22,173,423.28)	-	-	-	(78,878,394.00)
Transfer to investment in joint ventures	-	-	(179,754,572.83)	-	-	(179,754,572.83)
Disposal	(121,473.93)	(928,056.09)	(5,851,490.00)	(2,839,309.16)	-	(9,740,329.18)
Write off	-	-	-	(625,633.45)	-	(625,633.45)
As at 31 December 2016	6,292,378.98	18,195,572.59	17,004,071.54	10,683,511.54	-	52,175,534.65
Accumulated depreciation :-						
As at 1 January 2016	(266,402.02)	(10,978,167.84)	(51,795,684.61)	(8,552,771.71)	-	(71,593,026.18)
Depreciation charges for the year	(352,659.93)	(618,452.14)	(8,736,012.85)	(745,616.93)	-	(10,452,741.85)
Transfer to investment in joint ventures	-	-	47,853,736.89	-	-	47,853,736.89
Disposal	34,585.07	91,392.39	3,457,317.18	1,587,810.44	-	5,171,105.08
Write off	-	-	-	621,335.98	-	621,335.98
As at 31 December 2016	(584,476.88)	(11,505,227.59)	(9,220,643.39)	(7,089,242.22)	-	(28,399,590.08)
Net book value :-						
As at 31 December 2016	5,707,902.10	6,690,345.00	7,783,428.15	3,594,269.32	-	23,775,944.57
Depreciation for the year ended 31 December 2016						10,452,741.85

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

	Separate financial statements					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2015	47,383,001.36	19,681,642.09	169,069,835.65	11,652,485.50	22,173,035.00	269,959,999.60
Purchases	10,788,696.00	4,520,663.00	38,592,149.56	1,988,331.86	795,177.25	56,685,017.67
Transfer in	-	795,177.25	-	-	-	795,177.25
Transfer out	-	-	-	-	(795,177.25)	(795,177.25)
Disposal	-	-	(5,051,850.84)	-	-	(5,051,850.84)
Write off	(433,148.45)	(493,190.66)	-	(667,346.53)	-	(1,593,685.64)
As at 31 December 2015	57,738,548.91	24,504,291.68	202,610,134.37	12,973,470.83	22,173,035.00	319,999,480.79
Accumulated depreciation :-						
As at 1 January 2015	(123,220.17)	(10,132,366.75)	(38,792,279.38)	(7,230,755.39)	-	(56,278,621.69)
Depreciation charges for the year	(299,750.08)	(933,263.58)	(16,464,930.57)	(1,989,184.84)	-	(19,687,129.07)
Disposal	-	-	3,461,525.34	-	-	3,461,525.34
Write off	156,568.23	87,462.49	-	667,168.52	-	911,199.24
As at 31 December 2015	(266,402.02)	(10,978,167.84)	(51,795,684.61)	(8,552,771.71)	-	(71,593,026.18)
Net book value :-						
As at 31 December 2015	57,472,146.89	13,526,123.84	150,814,449.76	4,420,699.12	22,173,035.00	248,406,454.61
Depreciation for the year ended 31 December 2015						19,687,129.07

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

As at 31 December 2016, the gross carrying amounts of certain property, plant and equipment items of the Group totaling Baht 4.86 million were fully depreciated but these items are still in active use. (2015 : Baht 4.43 million).

As at 31 December 2016, the Group has mortgaged the land plus property with carrying amounts of Baht 83.27 million (2015 : Baht 83.27 million) in order to guarantee against credit facility that the Group receives from several commercial bank in the credit line of Baht 510.00 million (2015 : Baht 420.00 million).

As at 31 December 2016, leased assets included above, where the Group are lessee under finance leases, comprise equipment and motor vehicle with net book value of Baht 0.24 million (2015 : Baht 123.06 million).

14. Intangible assets

Consisted of

	(Unit : Baht)		
	Consolidate		
	Computer software	Computer software during installation	Total
Cost :-			
As at 1 January 2016	3,763,112.18	2,930,756.00	6,693,868.18
Purchase	1,028,962.80	711,200.00	1,740,162.80
Disposal	-	(602,756.00)	(602,756.00)
Write off	-	(2,328,000.00)	(2,328,000.00)
Exchange differences on translation	(30,695.96)		(30,695.96)
As at 31 December 2016	4,761,379.02	711,200.00	5,472,579.02
Accumulated amortization :-			
As at 1 January 2016	(1,724,344.08)	-	(1,724,344.08)
Amortization charge for the year	(891,482.30)	-	(891,482.30)
Exchange differences on translation	10,329.11	-	10,329.11
As at 31 December 2016	(2,605,497.27)	-	(2,605,497.27)
Allowance for impairment:-			
As at 1 January 2016	-	-	-
Increase (decrease) during the year	(523,890.46)	-	(523,890.46)
Effect of exchange rate	19,396.71	-	19,396.71
As at 31 December 2016	(504,493.75)	-	(504,493.75)
Net book value :-			
As at 31 December 2016	1,651,388.00	711,200.00	2,362,588.00
Amortization charges for the year ended 31 December 2016			891,482.30
.....Director		Director
(Ms.Pornthip Sae-lim)			(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Consolidate		
	Computer software		
	Computer software	during installation	Total
Cost :-			
As at 1 January 2015	2,417,438.00	2,328,000.00	4,745,438.00
Purchases	1,345,674.18	602,756.00	1,948,430.18
As at 31 December 2015	3,763,112.18	2,930,756.00	6,693,868.18
Accumulated amortization :-			
As at 1 January 2015	(1,215,879.28)	-	(1,215,879.28)
Amortization charge for the year	(504,538.05)	-	(504,538.05)
Exchange differences on translation	(3,926.75)	-	(3,926.75)
As at 31 December 2015	(1,724,344.08)	-	(1,724,344.08)
Net book value :-			
As at 31 December 2015	2,038,768.10	2,930,756.00	4,969,524.10
Amortization charges for the year ended 31 December 2015			504,538.05

(Unit : Baht)

	Separate financial statement		
	Computer software		
	Computer software	during installation	Total
Cost :-			
As at 1 January 2016	2,672,787.30	2,930,756.00	5,603,543.30
Disposal	-	(602,756.00)	(602,756.00)
Write off	-	(2,328,000.00)	(2,328,000.00)
As at 31 December 2016	2,672,787.30	-	2,672,787.30
Accumulated amortization :-			
As at 1 January 2016	(1,560,961.16)	-	(1,560,961.16)
Amortization charge for the year	(534,628.57)	-	(534,628.57)
As at 31 December 2016	(2,095,589.73)	-	(2,095,589.73)
Net book value :-			
As at 31 December 2016	577,197.57	-	577,197.57
Amortization charges for the year ended 31 December 2016			534,628.57

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

(Unit : Baht)

	Separate financial statement		
	Computer software		
	Computer software	during installation	Total
Cost :-			
As at 1 January 2015	2,417,438.00	2,328,000.00	4,745,438.00
Purchases	255,349.30	602,756.00	858,105.30
As at 31 December 2015	2,672,787.30	2,930,756.00	5,603,543.30
Accumulated amortization :-			
As at 1 January 2015	(1,215,879.28)	-	(1,215,879.28)
Amortization charge for the year	(345,081.88)	-	(345,081.88)
As at 31 December 2015	(1,560,961.16)	-	(1,560,961.16)
Net book value :-			
As at 31 December 2015	1,111,826.14	2,930,756.00	4,042,582.14
Amortization charges for the year ended 31 December 2015			345,081.88

15. Deferred tax assets/liabilities

The movements of deferred tax assets and liabilities for the year ended 31 December 2016 and 2015 are as follow:-

	(Unit : Baht)						
	Consolidate						
	1 January 2015	Recognized in profit or loss	Recognized in comprehensive income	31 December 2015	Recognized in profit or loss	Recognized in comprehensive income	31 December 2016
Trade and other receivable	1,051,846.31	-	-	1,051,846.31	-	-	1,051,846.31
Property, plant and equipment	63,416.90	(73,697.20)	-	(10,280.30)	75,619.12	(1,921.92)	63,416.90
Obligation under finance lease	(5,385,118.74)	(1,576,841.65)	-	(6,961,960.39)	6,961,960.39	-	-
Employee benefits obligation	577,140.20	-	-	577,140.20	252,305.03	-	829,445.23
Deferred tax assets/liabilities	(3,692,715.33)	(1,650,538.85)	-	(5,343,254.18)	7,289,884.54	(1,921.92)	1,944,708.44

	(Unit : Baht)						
	Separate financial statements						
	1 January 2015	Recognized in profit or loss	Recognized in comprehensive income	31 December 2015	Recognized in profit or loss	Recognized in comprehensive income	31 December 2016
Trade and other receivable	1,051,846.31	-	-	1,051,846.31	-	-	1,051,846.31
Property, plant and equipment	63,416.90	-	-	63,416.90	-	-	63,416.90
Obligation under finance lease	(5,385,118.74)	(1,576,841.65)	-	(6,961,960.39)	6,961,960.39	-	-
Employee benefits obligation	577,140.20	-	-	577,140.20	252,305.03	-	829,445.23
Deferred tax assets/liabilities	(3,692,715.33)	(1,576,841.65)	-	(5,269,556.98)	7,214,265.42	-	1,944,708.44

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

The deferred tax asset is not recognized in the statement of financial position; consisted of :-

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unused tax losses				
- Expire in next 1 year	-	-	-	-
- Expire in next 2 – 5 years	6,014,958.84	6,014,958.84	6,014,958.84	6,014,958.84
Temporary differences	6,085,489.12	4,954,930.30	12,635,569.12	11,505,010.30
Total	12,100,447.96	10,969,889.14	18,650,527.96	17,519,969.14

The Group offsets the deferred tax assets and the deferred tax liabilities for the presentation in the statement of financial position only in a case where such assets and liabilities relates to the same taxable company and the income tax is levied by the same taxation authority, as follows :-

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Amount recognized as assets/liabilities in the statement of financial position				
- Deferred tax assets	1,944,708.44	-	1,944,708.44	-
- Deferred tax liabilities	-	(5,343,254.18)	-	(5,269,556.98)
Total	1,944,708.44	(5,343,254.18)	1,944,708.44	(5,269,556.98)

The deferred tax assets and liabilities, which is not recognized in the statement of financial position, arises from undistributed profits associated with investments in subsidiary associates and joint ventures; consisted of :-

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets are not recognized :				
- Associates	81,370.64	6,550,080.58	-	-
- Joint ventures	2,886,385.98	-	-	-
- Subsidiaries	1,847,768.82	393,686.42	-	-
Total	4,815,525.44	6,943,767.00	-	-

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

16. Bank overdraft and short – term loans from financial institutions

Consisted of :-

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Bank overdrafts	887,021.32	-
Short – term loans	204,874,534.27	189,829,967.12
Total	<u>205,761,555.59</u>	<u>189,829,967.12</u>

As at 31 December 2016 and 2015, the Group held bank overdraft and short – term loans facilities from several commercial banks in the amount of Baht 360.00 million carried interest rate of 2.58% - 6.30% per annum.

The credit facilities were secured by mortgaged the Group's land plus property and bank deposits.

17. Trade and other payables-third parties

Consisted of :-

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables	59,347,703.38	73,543,432.31	45,112,979.19	72,387,733.54
Accrued expenses	10,257,883.85	12,411,281.04	8,171,050.92	11,954,151.13
Other payables	7,638,969.22	9,669,893.49	5,925,976.31	6,038,602.79
Accrued dividend	5,149.21	5,149.21	5,149.21	5,149.21
Total	<u>77,249,705.66</u>	<u>95,629,756.05</u>	<u>59,215,155.63</u>	<u>90,385,636.67</u>

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18. Obligation under finance lease

Obligation under finance lease - minimum lease payments

(Unit : Baht)

Consolidated/Separate financial statements

As at 31 December **2016**

	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>
Not later than 1 year	8,028.00	(562.54)	7,465.46
Later than 1 year but not later than 5 years	-	-	-
Total	8,028.00	(562.54)	7,465.46

(Unit : Baht)

Consolidated
/Separate financial statements

As at 31 December **2015**

	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>
Not later than 1 year	27,619,871.07	(2,781,695.54)	24,838,175.53
Later than 1 year but not later than 5 years	35,501,257.91	(2,640,306.80)	32,860,951.11
Total	63,121,128.98	(5,422,002.34)	57,699,126.64

As at 31 December **2016**, the Group performs the contract of long term financial leased with several leasing companies so as to lease equipment and vehicle by number of **1** contracts (31 December **2015** : number 83 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 8,028.00 per month (31 December **2015** : Baht **5,887.85** per month to Baht 443,345.80 per month). The leased period is carried **5** years (31 December **2015** : **3** years to **5** years). Such leased contract comprises the Group's directors as guarantors. In addition, ownership of such vehicle and equipment will transfer to ownership of the Group when the Group pays the final installment in accordance with the leased contract.

The Group amortised the interest according to the financial leased contract for the year ended 31 December 2016 and 2015 in the amount of Baht 1.94 million and Baht 4.08 million which was recorded as "Finance cost" in the statement of comprehensive income, respectively.

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19. Long-term loans due to financial institution

Consisted of:-

	(Unit : Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Long-term loan	23,600,000.00	-
<u>Less</u> Current portion	(9,600,000.00)	-
Net	<u>14,000,000.00</u>	<u>-</u>

As at 31 December 2016, the Group held long-term loan facility from a financial institutions in the amount of Baht 30.00 million, carried interest rate of 4.15% per annum. The repayment of the principal at the minimum amount of Baht 800,000.00 per month. As at 31 December 2016, such loan remained in the amount of Baht **23.60** million.

Such credit facility was secured by mortgaged the Group's land plus property.

Long-term loans from financial institutions – minimum payments:

	(Unit : Baht)	
	Consolidated/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Within 1 years	9,600,000.00	-
Within 2 year – 5 years	14,000,000.00	-
Total	<u>23,600,000.00</u>	<u>-</u>

20. Employee benefit obligation

Changes in the present value of the employee benefit obligation in case of retirement or termination of employment under the labor law for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
As at 1 January	3,928,667.00	2,885,701.00
Current service cost	1,147,368.67	951,210.00
Interest cost	114,156.43	91,756.00
As at 31 December	<u>5,190,192.10</u>	<u>3,928,667.00</u>

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Principal actuarial assumptions as at 31 December 2016 and 2015 are as follows :

	Consolidate/Separate financial statements	
	<u>2016</u>	<u>2015</u>
Discount rate at end of year	3.18%	3.18%
Future salary growth	5%	5%
Proportion of employees opting for early retirement	20%	20%

Changes in the actuarial assumption will affect to the employee benefit obligation as at 31 December 2016 and 2015 as follows :

	(Unit : Baht)	
	Consolidated/Separate financial statement	
	Employee benefit obligation Increase (decrease)	
	<u>2016</u>	<u>2015</u>
If the discount rate increase 0.5%	<i>(268,059.00)</i>	<i>(215,582.00)</i>
If the discount rate decrease 0.5%	<i>286,293.00</i>	<i>231,088.00</i>
If the future salary growth increase 0.5%	<i>331,462.00</i>	<i>244,959.00</i>
If the future salary growth decrease 0.5%	<i>(311,105.00)</i>	<i>(230,045.00)</i>

Information about the maturity of the employee benefit obligation are as follows :

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Amount of the obligation expected to be paid		
- Not later than 1 year	-	<i>140,009.00</i>

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit of the Company is **19** years (2015 : 20 years).

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(Ms.Netirad Sang-ngam)

21. Share capital

The movements of share capital for the year ended 31 December 2016 and 2015 are as follow:

	Number of shares (Unit : share)	Ordinary shares (Unit : Baht)
Share capital (Baht 0.25 per share)		
As at 1 January 2015	420,000,000	105,000,000.00
Issue of share during the year	140,000,000	35,000,000.00
As at 31 December 2015	560,000,000	140,000,000.00
Issue of share during the year	-	-
As at 31 December 2016	560,000,000	140,000,000.00

	Number of shares (Unit : share)	Ordinary shares (Unit : Baht)	Premium on ordinary shares (Unit : Baht)	Total (Unit : Baht)
Paid – up capital (Baht 0.25 per share)				
As at 1 January 2015	420,000,000	105,000,000.00	190,923,427.26	295,923,427.26
Issue of share during the year	-	-	-	-
As at 31 December 2015	420,000,000	105,000,000.00	190,923,427.26	295,923,427.26
Premium on share capital transferred to offset deficit	-	-	(62,990,223.27)	(62,990,223.27)
As at 31 December 2016	420,000,000	105,000,000.00	127,933,203.99	232,933,203.99

In accordance with the resolution of the Extraordinary General Meeting of Shareholders no.1/2015 on 15 December 2015, it resolves as follows :

- Approval on the issuance and allocation of 1 series of the warrants to purchase the newly issued ordinary shares of the Company (NCL-W1) in the number of up to 140,000,000 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 3 existing shares for 1 unit of NCL-W1 Warrants. The term of NCL-W1 Warrants will be 2 years from the issuance date and the exercise price will be at Baht 4.00 per share.

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- Approval on the increase Baht 35,000,000.00 of the registered capital of the Company from Baht 105,000,000.00 to Baht 140,000,000.00 by issuing 140,000,000 shares, at the par value of Baht 0.25 per share to accommodate the exercise of NCL-W1 Warrants.

- Approval on the allocation of 140,000,000 newly issued ordinary shares at the par value of Baht 0.25 per share, to accommodate the exercise of NCL-W1 Warrants.

The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on 23 December 2015 for increment of capital.

Warrant (NCL-W1)

On 20 January 2016, the Company disposed warrants of 139,997,497 units (NCL-W1) at Baht nil per unit so as to purchase ordinary shares offered to the former shareholders at the ratio of 1 warrant to 3 ordinary shares. The above warrants (NCL-W1) offered to purchase to ordinary shares comprise the detail by summation as follows :-

- It is the kind of specifying the names of holders and the holders can be changed.
- The warrants as registered securities in the Securities Exchange of Thailand.
- The age of warrant is 2 years.
- The date the warrants are issued on 20 January 2016.
- The warrants can be exercise on the last business day of every June and December. The first exercise date is on the last business day of 30 June 2016 and the last exercise date will be on the date closure of the 2nd anniversary from the issuance date.
- The rate of warrants right exercise is one unit over one ordinary share. (par value is Baht 0.25 per share)
- The exercised price is Baht 4.00 per share.

As at 31 December 2016, the remaining warrants (NCL-W1) not yet exercised is 139,997,497 units.

During 2016, the Company transferred premium on share capital in amount of Baht 62.99 million and legal reserve in amount of Baht 10.50 million to offset the Company's accumulated deficit in amount of Baht 73.49 million which were approved by the annual general meeting of shareholders for the year 2016 on the 28 April 2016.

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The capital management

The Group constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Group will maintain capital in the level with the least risk.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

22. Legal reserve

Pursuant to Section **116** of the Public Limited Companies Act B.E. **2535** (or **1992**), the Company is required to set aside to a statutory reserve at least **5** percent of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches **10** percent of its registered share capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2016, the Company has appropriated net income in amount of Baht 10.50 million to the legal reserve.

23. Income tax expenses (income)

The income tax expenses (income) recognised in profit or loss for the year ended 31 December 2016 and 2015 are as follow :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current tax expense	5,114,779.24	-	5,114,779.24	-
Deferred tax expense relating to the origination and reversal of temporary differences	(7,289,884.54)	1,650,538.85	(7,214,265.42)	1,576,841.65
Total income tax expense (income) recognized in profit or loss	(2,175,105.30)	1,650,538.85	(2,099,486.18)	1,576,841.65

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The relationship between tax expense and accounting profit for the year ended 31 December 2016 and 2015 are as follow :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit (loss)	(17,699,199.29)	(78,954,044.10)	14,654,075.36	(81,007,454.99)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(3,539,839.86)	(15,790,808.82)	2,930,815.07	(16,201,491.00)
Share of loss from investment in associate and joint venture	2,967,756.62	6,532,220.96	-	-
Different for tax rate of the subsidiary companies	(5,316.52)	(58,923.47)	-	-
Previous temporary difference not recognized as a deferred tax assets	(10,249,050.00)	-	(10,249,050.00)	-
Profit is exempt from taxation	-	(186,009.83)	-	-
Expenses that are undeductible in determining taxation profit	774,758.88	978,803.65	815,602.26	746,305.03
Expenses that are deductible in determining taxation profit	(253,970.07)	(354,634.57)	(56,348.37)	(47,943.31)
Gain on disposal of assets	9,558,896.01	-	9,558,896.01	-
Tax loss carryforward not recognized as a deferred tax asset	(6,229,959.97)	-	(6,229,959.97)	-
Temporary difference not recognized as a deferred tax asset	1,262,440.68	4,518,180.68	1,130,558.82	11,068,260.68
Loss from operation	3,539,178.93	6,011,710.25	-	6,011,710.25
Income tax expense (income)	(2,175,105.30)	1,650,538.85	(2,099,486.18)	1,576,841.65
Tax rate			<u>2559</u>	<u>2558</u>
- Subsidiary			20%	20%
- Subsidiaries in aboard			17%	17%

24. Earnings (loss) per share

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

Diluted earnings per share is calculated by the sum of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. By supposition that if taking money received from right exercise from such warrants to purchase ordinary shares back in the market price of diluted equivalent ordinary shares; for example, warrants to purchase ordinary shares in the case that prices according to the rights of warrants constitute value lower than market price.

.....Director
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.....Director
(Ms.Netirad Sang-ngam)

As at 31 December 2016, the Company did not include ordinary shares derived from warrants to purchase ordinary shares as diluted equivalent ordinary shares in the computation of diluted earnings per share since exercised price obtains the value higher than market price of ordinary shares.

25. Dividend payment

In accordance with Meeting of Shareholders 1/2015 held on 28 April 2015, the meeting has approved to pay the dividend from the Company's operation results of the year 2014 to shareholders at the rate of Baht 0.023809 per share for the total amount of Baht 10.00 million. The Company paid such dividend in May 2015.

26. Supplemental disclosures of cash flow information

26.1 Cash and cash equivalents consisted of

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	149,098.31	845,787.02	140,000.00	845,000.00
Cash deposits-Saving accounts	66,247,810.47	43,687,895.44	64,859,722.45	17,300,320.71
Cash deposits-Current accounts	32,289,017.90	24,022,293.26	6,602,855.49	24,022,293.26
Total	<u>98,685,926.68</u>	<u>68,555,975.72</u>	<u>71,602,577.94</u>	<u>42,167,613.97</u>

26.2 Non - cash items

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Transfer loans due from related company to be as investments				
in subsidiary	-	-	8,942,185.22	-
Amortization of gain on sale and leaseback	-	114,444.44	-	114,444.44
Purchases of equipment but not yet paid	14,284.50	-	14,284.50	-
Disposal of intangible asset but not yet received	602,756.00	-	602,756.00	-
Purchase of assets under lease agreement	-	34,053,739.00	-	34,053,739.00
Transfer property and equipment to be investment property	78,456,794.60	-	78,456,794.60	-
Transfer equipment to be investment in joint venture	120,944,939.55	-	120,944,939.55	-
Transfer obligation under finance leases to be investment				
in joint venture	26,434,006.65	-	26,434,006.65	-
Transfer legal reserve to offset accumulated deficit	10,500,000.00	-	10,500,000.00	-
Transfer share premium to offset accumulated deficit	62,990,223.27	-	62,990,223.27	-

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27. Employee benefit27.1 Provident fund

For the year ended 31 December 2016, the Group recognizes as the employee benefit expense for the payment of contribution into the provident fund at the amount of Baht 2.45 million (2015 : Baht 2.37 million and Baht 2.37 million in consolidated and separate financial statement).

27.2 Retirement or termination under the labor law employee benefit

For the year ended 31 December 2016 and 2015, the Group recognises the employee benefit expense in case of retirement or termination under the labor law employee benefit, as follows :-

	(Unit : Baht)	
	Consolidate/Separate financial statement	
	<u>2016</u>	<u>2015</u>
Amounts recognized in profit or loss		
Current service cost	1,147,368.67	951,210.00
Interest cost	114,156.43	91,756.00
Total	1,261,525.10	1,042,966.00

An item of the employee benefit expense in case of retirement or termination under the labor law for the year ended 31 December 2016 and 2015 is inclusively presented in the line items, as follows :-

	(Unit : Baht)	
	Consolidate/Separate financial statement	
	<u>2016</u>	<u>2015</u>
Cost of services	216,564.00	106,209.00
Administrative expenses	393,874.10	369,083.00
Management benefit expenses	651,087.00	567,674.00
Total	1,261,525.10	1,042,966.00

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28. Expenses by nature

The following expenditure items of expense have been classified by nature for the year ended 31 December 2016 and 2015 are as follow :-

	Consolidated		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(Unit : Baht)			
Employee benefit expenses	74,312,119.12	120,853,555.13	59,993,164.88	115,413,415.33
Management benefit expenses	21,486,792.68	24,238,084.21	20,975,694.92	24,238,084.21
Depreciation	12,731,723.59	20,139,554.14	12,131,442.76	19,687,129.07
Amortisation	891,482.30	504,538.05	534,628.57	345,081.88
Ocean and air freight expenses	704,501,481.43	649,797,857.87	570,535,856.39	622,022,716.97
Custom clearance expenses	13,033,325.15	31,469,924.70	5,729,924.67	31,398,845.97
Refund freight	50,957,180.75	59,469,181.21	48,586,343.31	57,406,688.64
Transportation expenses	58,822,679.85	93,458,262.75	56,680,149.95	93,454,193.84
Truck Expenses	17,150,892.28	62,855,690.25	17,150,892.28	62,855,690.25
Ocean service expenses	13,252,475.16	6,121,298.90	4,722,757.46	6,121,298.90
Loss from impairment of investment in associate	-	32,750,400.00	-	32,750,400.00
Loss on written off deposit	-	18,494,850.00	-	18,494,850.00
Loss on written off intangible assets	2,328,000.00	-	2,328,000.00	-
Doubtful debt	5,652,794.12	4,704,648.64	5,652,794.12	4,704,648.64
Rental and service fees	21,476,448.98	22,573,842.34	16,693,956.17	21,962,258.11
Advertising expenses	1,724,969.22	1,836,912.05	1,657,734.22	1,691,628.79
Travel expenses	5,354,951.89	9,422,014.10	4,777,474.98	9,372,852.45
Entertainment expenses	6,304,449.45	4,293,466.81	5,896,171.67	4,130,962.98

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29. Credit line of financial institutions

(Unit : Million Baht)

	Consolidated/Separate financial statements					
	<u>2016</u>			<u>2015</u>		
	Total	Utilized	Available	Total	Utilized	Available
Credit line of letters of guarantee	2.73	(1.23)	1.50	3.03	(1.53)	1.50
Credit line of bank overdraft	60.00	(0.89)	59.11	60.00	-	60.00
Credit line of short-term loans	300.00	(205.00)	95.00	300.00	(189.83)	110.17
Credit line of long-term loans	30.00	(23.60)	6.40	30.00	-	30.00
	392.73	(230.72)	162.01	393.03	(191.36)	201.67

(Unit : Million USD)

	Consolidated/Separate financial statements					
	<u>2016</u>			<u>2015</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of forward contracts	3.50	-	3.50	3.50	-	3.50

The Group pledged the land plus property, as mentioned in the notes to financial statements No. 12 and 13, and bank deposit, as collaterals against the said credit facilities.

30. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and discloses the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group discloses the operating segments based on type of service. It's operating segment consists of three segments, land transportation, freight forwarding, and non – vessel operating common carrier (“NVOCC”).

The Group measures the profit or loss for each segment from the gross margin excluding the items of other income, interest revenue, gain on exchange rate, other central expenses, finance cost and share of profit or loss in associates and joint ventures.

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.....Director
(Ms.Netirad Sang-ngam)

The principal activities of the Group consisted of land transportation, freight forwarding, and non – vessel operating common carrier (“NVOCC”). The detail of operation segment for the year ended 31 December 2016 and 2015 are as follows:

	Consolidate						(Unit : Million Baht)	
	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Services income	72.59	109.73	709.57	736.35	203.45	228.54	985.61	1,074.62
Gross margin	8.54	11.64	110.28	92.29	36.90	51.53	155.72	155.46
Other income							25.62	6.41
Selling expenses							(46.51)	(49.40)
Administrative expenses							(128.39)	(149.71)
Finance cost							(9.30)	(9.05)
Share of loss from investment in associate and joint venture							(14.84)	(32.66)
Loss before income tax							(17.70)	(78.95)

The reconciliations of each segment total assets to the Company’s assets and other material items.

	Consolidate								(Unit : Million Baht)	
	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Central		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Depreciation	7.89	15.18	-	0.47	-	-	4.84	4.50	12.73	20.15
Amortisation	-	-	-	-	-	-	0.89	0.50	0.89	0.50

In 2016, the Group has not earned with a major customer (2015 : the Group has the service income with 1 major customer earned by freight forwarder segment in the amount of Baht 154.49 million).

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31. Financial instruments

The principle financial risks faced by the Group are interest rate risk, foreign exchange rate risk and credit risk. However, the Group did not speculate in or engage in trading of any derivative financial instruments.

31.1 Interest rate risk

Risk from interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. Risk from interest rates remains due to bank deposit, credit facilities owing to the commercial bank, short – term loan from related parties and obligation under financial leases. Due to the fact that such financial assets and liabilities constitute interest rates which are always closed to market interest rate; as a result, the Group anticipates of non material risk from interest rates.

	Amount (Unit : Baht)		Interest rate (% : per annum)	
	Consolidate			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash deposits-Saving accounts	66,247,810.47	43,687,895.44	0.50%	0.50%
Fixed deposit pledged as collateral	54,695,648.99	74,747,131.29	0.50% - 2.50%	0.50% - 2.50%
Bank overdrafts	887,021.32	-	2.87% - 6.30%	-
Short – term loans from financial institutions	204,874,534.27	189,829,967.12	3.10% - 3.39%	3.10% - 3.39%
Obligation under financial leases	7,465.46	57,699,126.64	2.99% - 5.00%	2.99% - 5.00%
Long – term loans from financial institutions	23,600,000.00	-	4.15%	-

	Amount (Unit : Baht)		Interest rate (% : per annum)	
	Separate financial statements			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash deposits-Saving accounts	64,859,722.45	17,300,320.71	0.125% - 0.375%	0.50%
Fixed deposit pledged as collateral	54,695,648.99	74,747,131.29	0.875% - 1.600%	0.50% - 2.50%
Bank overdrafts	887,021.32	-	7.675% - 7.700%	-
Short – term loans from financial institutions	204,874,534.27	189,829,967.12	2.580% - 3.380%	3.10% -3.39%
Obligation under financial leases	7,465.46	57,699,126.64	4.730% - 6.000%	2.99% - 5.00%
Long – term loans from financial institutions	23,600,000.00	-	4.15%	-

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)

31.2 Exchange rate risk

The Group constitutes material risk from exchange rates in oversea currencies which has been trade accounts receivable and payable those are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at 31 December 2016 and 2015, the Group has foreign currency assets and liabilities are as follows:-

<u>Foreign currency</u>	Consolidate			
	<u>2016</u>		<u>2015</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	2,499,236.35	739,581.93	1,223,709.40	746,407.63
GBP	4,012.00	10,471.98	4,597.84	4,447.32
EUR	-	7,150.36	-	19,478.60
SGD	-	2,440.35	-	8,696.55
MYR	-	-	-	37,397.60
NZD	-	-	-	184.70

<u>Foreign currency</u>	Separate financial statements			
	<u>2016</u>		<u>2015</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	2,105,612.25	517,079.90	1,153,856.20	721,997.01
GBP	4,012.00	10,214.11	4,597.84	4,447.32
EUR	-	2,349.03	-	1,327.69
MYR	-	-	-	36,447.60
SGD	14,000.00	2,440.35	-	8,696.55

31.3 Credit risk

Credit risk is the risk that counterparties is unable or unwilling to meet a commitment that they have entered into with the Group. This risk is controlled by analyzing the financial position of its counterparty and limited to credit approval. The maximum exposure to credit risk is the carrying amount of those assets net of allowance for doubtful debts, as shown in the statement of financial position. In addition, the Group has no significant concentration of credit risk.

.....Director
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.....Director
(Ms.Netirad Sang-ngam)

31.4 Fair value

The carrying amounts of cash and cash equivalent, trade and other receivable, trade and other payable, bank overdraft and short-term loan from financial institutions close to their fair value due to these financial assets and liabilities are short term. Obligations under finance lease and long-term loans carry interest at rate close to current market rate so that the carrying value of such obligations under finance lease and long-term loan close to their fair value.

32. Financial instruments

TFRS No.13 “Fair Value Measurement (revised 2015)” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

The TFRS requires the Group shall disclose about fair value measurement for financial asset and liability in which the other related TFRSs requires or permits fair value measurement or disclosure about fair value.

The TFRS establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value, as follows

Level 1 : The inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : The inputs are observable inputs for the asset or liability, either directly or indirectly.

Level 3 : The inputs are unobservable inputs for the asset or liability.

Information on certain assets and liabilities of the Company which are not measured at fair value in the statement of financial position as at 31 December 2016 and 2015 are described in notes to financial statement no.12 abd no.31.4.

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.....Director
(Ms.Netirad Sang-ngam)

33. Obligation and contingent liabilities

33.1 As at 31 December 2016, the Group has performed the lease and service agreement with many third parties while there are the period 1 – 5 years with option to renew. The Company has obligation to repay lease and service fee in amount of Baht **586,185.37** per month (2015 : Baht 655,185.37 per month).

33.2 As at 31 December 2016 and 2015 the Group has commitments under letterd of guarantee issued on behalf of domestic banks in amount of Baht **1.23** million (2015 : Baht **1.53** million).

34. Events after the reporting period

The Board of Directors' Meeting no. 1/2017 with held on 24 February 2017, has the following resolutions

- Approval on the issuance and allocation of 2 series of the warrants to purchase the newly issued ordinary shares of the Company (NCL-W2) in the number of up to **64,650,000** units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 6.5 existing shares for 1 unit of NCL-W2 Warrants. The term of NCL-W1 Warrants will be 1 years from the issuance date and the exercise price will be at Baht 1.50 per share.

- Approval on the increase Baht 64,650,000.00 of the registered capital of the Company from Baht 140,000,000.00 to Baht 156,162,500.00 by issuing 64,650,000 shares, at the par value of Baht 0.25 per share to accommodate the exercise of NCL-W2 Warrants.

- Approval on the allocation of 64,650,000 newly issued ordinary shares at the par value of Baht 0.25 per share, to accommodate the exercise of NCL-W2 Warrants.

35. Litigation

The Company has been sued in the Central Intellectual Property and International Trade Court by the Company on non-performance for the international freight forwarding agreement. The amount of dispute is Baht 121,289.00. On 3 May 2016, the case has been finalized and the co-defendant, East-West Logistics Public Company Limited, has offered conciliation for the amount of dispute.

The Company and its driver have been sued by the prosecutor in Nonthaburi Municipal Court for vehicle carrying over the legal weight limit. On 8 December 2015, the Civil Court has ordered to confiscate the said vehicles. (Net book value is equivalent to Baht 953,074.95.) On 6 June 2016, the Appeal Court has affirmed the Civil Court's ruling. At present, the Company is filing to appeal a court judgment.

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(Ms.Netirad Sang-ngam)

36. Reclassification of accounting transactions

Some transactions in consolidate and separate statement of comprehensive income for the year ended 31 December 2015 are newly reclassified so as to comply with reflection in consolidate and separate statement comprehensive income for the year ended 31 December 2016 which can be summarized as follows:

		(Unit : Baht)	
		For the year ended on 31 December 2016	
Transactions which <u>formerly presented</u>	<u>Reclassified</u>	<u>Consolidated statements of comprehensive income</u>	<u>Separate statements of comprehensive income</u>
Administrative expenses	Selling expenses	8,507,573.46	8,507,573.46

37. Approval of financial statements

These consolidated and separated financial statements were authorized for issue by the Company's board of directors on 24 February 2017.

.....Director
(Ms.Pornthip Sae-lim)

.....Director
(Ms.Netirad Sang-ngam)