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Independent Auditor's Report

To the Shareholders of SRF Industries (Thailand) Limited

I have audited the accompanying financial statements of SRF Industries (Thailand) Limited which comprise the statement of financial position as at 31 March 2016, and the related statements of income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Basis for Qualified Opinion

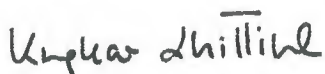
During the year 2013, there were a fire at a plant and an accident during the transportation of one of the Company's machines. The Company recorded compensation receivable from insurance companies of Baht 96.2 million in the financial statements of the year 2014, which was contrary to Thai Financial Reporting Standard applicable to non-publicly accountable entities under which the compensation should have been recorded in the year 2015, when it was confirmed and received in full. The predecessor auditor therefore expressed a qualified audit opinion on the income statement for the year ended 31 March 2015 on this matter. My opinion on the financial statements of the current year is qualified with respect to this matter, because it affects comparison of the current year's figures with the comparative figures. Should the Company had correctly adjusted this transaction, other income for the year ended 31 March 2015 will be increased by Baht 96.2 million, net loss as presented in income statement for the year ended 31 March 2015 and retained earnings as at 1 April 2014 as presented in statement of changes in shareholders' equity will be decreased by the same amount.

Qualified Opinion

In my opinion, except for the effects to the comparative figures of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of SRF Industries (Thailand) Limited as at 31 March 2016, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities.

Other matter

The financial statements of SRF Industries (Thailand) Limited for the year ended 31 March 2015 were audited by another auditor who, under her report dated 31 July 2015, expressed a qualified opinion on those financial statements in relation to recording of compensation receivable from insurance companies which was contrary to Thai Financial Reporting Standard applicable to non-publicly accountable entities.



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 9 May 2016

SRF Industries (Thailand) Limited**Statement of financial position**

As at 31 March 2016

			(Unit: Baht)
	<u>Note</u>	<u>2016</u>	<u>2015</u>
			(Restated)
Assets			
Current assets			
Cash and cash equivalents		259,567,838	134,291,817
Trade and other receivables	7	343,486,867	417,291,368
Inventories	8	252,150,170	243,870,505
Input tax refundable		21,358,088	10,315,098
Other current assets		<u>5,218,161</u>	<u>3,869,006</u>
Total current assets		<u>881,781,124</u>	<u>809,637,794</u>
Non-current assets			
Property, plant and equipment	9	2,312,664,334	2,478,083,442
Deferred tax assets	15	13,515,086	12,557,513
Other non-current assets		<u>4,035,687</u>	<u>4,112,884</u>
Total non-current assets		<u>2,330,215,107</u>	<u>2,494,753,839</u>
Total assets		<u>3,211,996,231</u>	<u>3,304,391,633</u>

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

SRF Industries (Thailand) Limited**Statement of financial position (continued)**

As at 31 March 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u> (Restated)
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from financial institution	10	-	33,341,094
Trade and other payables	11	948,577,124	701,698,326
Current portion of long-term loan from financial institution	12	209,528,855	194,330,219
Other current liabilities		<u>1,703,329</u>	<u>3,159,568</u>
Total current liabilities		<u>1,159,809,308</u>	<u>932,529,207</u>
Non-current liabilities			
Long-term loan from financial institution - net of current portion	12	734,079,880	1,164,251,947
Long-term loans from parent company	13	976,485,119	901,896,145
Provisions for long-term employee benefits	14	<u>27,637,335</u>	<u>20,916,254</u>
Total non-current liabilities		<u>1,738,202,334</u>	<u>2,087,064,346</u>
Total liabilities		<u>2,898,011,642</u>	<u>3,019,593,553</u>

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

SRF Industries (Thailand) Limited

Statement of financial position (continued)

As at 31 March 2016

	<u>2016</u>	<u>2015</u> (Restated)
(Unit: Baht)		
Shareholders' equity		
Share capital		
Registered		
1,000,003 ordinary shares of Baht 100 each	<u>100,000,300</u>	<u>100,000,300</u>
Issued and fully paid up		
1,000,003 ordinary shares of Baht 100 each	100,000,300	100,000,300
Retained earnings - unappropriated	<u>213,984,289</u>	<u>184,797,780</u>
Total shareholders' equity	<u>313,984,589</u>	<u>284,798,080</u>
Total liabilities and shareholders' equity	<u>3,211,996,231</u>	<u>3,304,391,633</u>

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

Directors

SRF Industries (Thailand) Limited**Income statement**

For the year ended 31 March 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u> (Restated)
(Unit: Baht)			
Revenues			
Sales		3,066,428,058	3,202,045,952
Other income		<u>24,189,016</u>	<u>30,395,703</u>
Total revenues		<u>3,090,617,074</u>	<u>3,232,441,655</u>
Expenses			
Cost of sales		2,555,803,309	2,959,343,020
Selling expenses		90,790,218	101,481,827
Administrative expenses		156,864,067	196,828,390
Exchange loss		<u>184,138,033</u>	<u>8,679,602</u>
Total expenses		<u>2,987,595,627</u>	<u>3,266,332,839</u>
Profit (loss) before finance cost and income tax		103,021,447	(33,891,184)
Finance cost		<u>(74,792,511)</u>	<u>(74,858,449)</u>
Profit (loss) before income tax		28,228,936	(108,749,633)
Income tax	15	<u>957,573</u>	<u>7,047,669</u>
Net profit (loss) for the year		<u><u>29,186,509</u></u>	<u><u>(101,701,964)</u></u>

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

SRF Industries (Thailand) Limited

Statement of changes in shareholders' equity

For the year ended 31 March 2016

(Unit: Baht)

	Issued and fully paid up share capital	Retained earnings - unappropriated	Total
Balance as at 31 March 2014 - as previously reported	100,000,300	280,989,900	380,990,200
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	5,509,844	5,509,844
Balance as at 31 March 2014 - as restated	100,000,300	286,499,744	386,500,044
Net loss for the year (restated)	-	(101,701,964)	(101,701,964)
Balance as at 31 March 2015 - as restated	<u>100,000,300</u>	<u>184,797,780</u>	<u>284,798,080</u>
Balance as at 31 March 2015 - as previously reported	100,000,300	172,240,267	272,240,567
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	12,557,513	12,557,513
Balance as at 31 March 2015 - as restated	100,000,300	184,797,780	284,798,080
Net profit for the year	-	29,186,509	29,186,509
Balance as at 31 March 2016	<u>100,000,300</u>	<u>213,984,289</u>	<u>313,984,589</u>

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

SRF Industries (Thailand) Limited

Notes to financial statements

For the year ended 31 March 2016

1. General information

SRF Industries (Thailand) Limited ("the Company") is a limited company incorporated and domiciled in Thailand. Its parent company is SRF Global B.V., which was incorporate in Netherlands. The Company is principally engaged in the manufacture and distribution of Tyre Cord and Packaging Films. The registered offices of the Company are as follows:

Head office: 3 Map Ta Phut Industrial Estate, I-1 Road, Tambol Map Ta Phut, Amphur Muang, Rayong.

Branch: 112 Moo 3 Hemaraj Eastern Seaboard Industrial Estate, Tambol Tasit, Amphur Pluakdeang, Rayong.

2. Impact of plant fire and accident while transporting machinery

During the year 2013, fire damaged certain parts of the Company's plant and there was an accident during the transportation of the Company's machinery. The Company recorded damage from these two incidents totaling approximately Baht 84.6 million in the income statement. The Company submitted claims for compensation to the relevant insurance companies, who have received reports from independent loss assessors but were in process of consideration the amount of the settlements. However, the Company was confident that it would receive settlement of its claims from the insurance companies based on the reports of the independent loss assessors. The Company recorded compensation receivables of Baht 96.2 million in its accounts. Moreover, the amount of this receivable net of the damage previously recorded, amounting to Baht 11.6 million, was recorded as gain from compensation for damage in the income statement for the year then ended.

Subsequently, in May to July 2014, the Company received full amount of insurance claimed. Therefore, insurance claim of Baht 96.2 million should be recognised as an income in the income statement for the year ended 31 March 2015. However, the Company did not correct such error in 2015 financial statements. As a result, other income for the year ended 31 March 2015 was understated by Baht 96.2 million and net loss for the year then ended and retained earnings as at 1 April 2014 were overstated by the same amount.

3. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and the Company also adopted Thai Accounting Standards 12 Income Taxes. Their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

4. Cumulative effect of changes in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes

During the current year, the Company made changes to its significant accounting policy as a result of the adoption of Thai Accounting Standard 12 Income Taxes, since the Company's management believed that such adoption would result in a closer relationship between income tax expenses and accounting profit than in the past. This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company has changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of income are summarised below.

	(Unit: Thousand Baht)	
	As at	As at
	<u>31 March 2016</u>	<u>31 March 2015</u>
Statements of financial position		
Increase in deferred tax assets	13,515	12,558
Increase in unappropriated retained earnings	13,515	12,558

	(Unit: Thousand Baht)	
	For the years ended 31 March	
	<u>2016</u>	<u>2015</u>
Statements of income		
Decrease in income tax	(958)	(7,048)
Increase in net profit	958	7,048

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

Finished goods and work in process are valued at the lower of average cost and net realisable value. Such cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for diminution in value (if any).

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

Leasehold improvement	-	30 years
Buildings and building improvement	-	30 and 40 years
Machinery and equipment	-	3 - 30 years and based on the machine hour method
Furniture and office equipment	-	3 - 15 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided for land and construction in progress.

5.6 Long-term leases

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

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

5.7 Foreign currencies

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

Gains and losses on exchange are included in determining income.

5.8 Provisions

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

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

5.9 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

7. Trade and other receivables

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
Trade receivables - unrelated parties	344,028	428,756
Less: Allowance for doubtful accounts	(35,164)	(37,097)
	<u>308,864</u>	<u>(391,659)</u>
Trade receivables - related parties	-	7,323
Other receivables - unrelated parties	1,030	2,082
Other receivables - related parties	3,796	1,020
Prepaid expenses	6,818	6,001
Advance payment for purchase inventories	22,979	9,206
Total trade and other receivables - net	<u><u>343,487</u></u>	<u><u>417,291</u></u>

8. Inventories

(Unit: Thousand Baht)

	Cost		Reduction of cost to net realisable value		Inventories-net	
	31 March	31 March	31 March	31 March	31 March	31 March
	2016	2015	2016	2015	2016	2015
Finished goods	58,436	67,849	-	-	58,436	67,849
Work in process	62,946	65,829	-	-	62,946	65,829
Raw materials	37,459	40,505	-	-	37,459	40,505
Spare parts and factory supplies	66,697	66,007	(4,774)	(4,774)	61,923	61,233
Goods in transit	31,386	8,455	-	-	31,386	8,455
Total	<u><u>256,924</u></u>	<u><u>248,645</u></u>	<u><u>(4,774)</u></u>	<u><u>(4,774)</u></u>	<u><u>252,150</u></u>	<u><u>243,871</u></u>

9. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Leasehold improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost								
1 April 2014	124,000	33,986	771,800	4,189,432	59,479	6,957	10,549	5,196,203
Additions	-	-	-	1,723	724	-	5,628	8,075
Disposals	-	-	-	-	(27)	-	-	(27)
Transfers in (out)	-	-	363	14,496	398	-	(15,257)	-
31 March 2015	124,000	33,986	772,163	4,205,651	60,574	6,957	920	5,204,251
Additions	-	-	-	4,247	771	1,117	12,049	18,184
Disposals	-	-	-	(8)	(1,271)	(3,161)	-	(4,440)
Transfers in (out)	-	-	237	10,052	1,149	-	(11,438)	-
31 March 2016	124,000	33,986	772,400	4,219,942	61,223	4,913	1,531	5,217,995
Accumulated depreciation								
1 April 2014	-	10,604	378,568	2,075,659	47,983	6,581	-	2,519,395
Depreciation for the year	-	977	18,631	185,245	1,817	108	-	206,778
Depreciation on disposals	-	-	-	-	(5)	-	-	(5)
31 March 2015	-	11,581	397,199	2,260,904	49,795	6,689	-	2,726,168
Depreciation for the year	-	973	18,518	159,836	3,969	307	-	183,603
Depreciation on disposals	-	-	-	(8)	(1,271)	(3,161)	-	(4,440)
31 March 2016	-	12,554	415,717	2,420,732	52,493	3,835	-	2,905,331
Net book value								
31 March 2015	124,000	22,405	374,964	1,944,747	10,779	268	920	2,478,083
31 March 2016	124,000	21,432	356,683	1,799,210	8,730	1,078	1,531	2,312,664

The Company has mortgaged its land, and buildings and pledged majority of machineries amounting to approximately Baht 2,217 million (2015: Baht 2,444 million) to secure the credit facilities granted by the financial institutions.

10. Bank overdrafts and short-term loans from financial institution

(Unit: Thousand Baht)

	Interest rate (percent per annum)	<u>2016</u>	<u>2015</u>
Bank overdrafts	MOR	-	6,380
Trust receipt payable	3.25	-	26,961
Total		<u>-</u>	<u>33,341</u>

Bank overdraft and trust receipt payable are secured by the mortgage of the Company's buildings and the pledge of the Company's machineries.

11. Trade and other payables

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
Trade payables - unrelated parties	766,015	565,601
Trade payables - related parties	4,253	7,645
Other payables - unrelated parties	9	70
Other payables - related parties	9,455	723
Accrued interest expense	137,508	100,858
Accrued expenses	29,242	21,198
Advance received from customers	2,095	5,603
Total trade and other payables	<u>948,577</u>	<u>701,698</u>

12. Long-term loan from financial institution

Principal	Interest rates	Repayment schedule	(Unit: Thousand Baht)	
			Outstanding balance	
			<u>2016</u>	<u>2015</u>
USD 45 million	Reference to LIBOR per annum	Repayable in 15 equal semi-annually installments of USD 3 million, from December 2014 to December 2021	956,000	1,373,517
Less: Loan arrangement fees			<u>(12,391)</u>	<u>(14,935)</u>
Total			943,609	1,358,582
Less: Current portion of long-term loan			<u>(209,529)</u>	<u>(194,330)</u>
Long-term loan - net of current portion			<u>734,080</u>	<u>1,164,252</u>

The loan is secured by the mortgage of the Company's land, and buildings and the pledge of machineries.

The loan agreement contains covenants and restrictions imposed by the lender such as the dividend payment.

13. Long-term loans from parent company

The balances represent long-term loans from parent company amounting to USD 27.6 million of which comprised credit facilities under numerous agreements totaling USD 44 million. The loans are subject to interest at LIBOR plus 2% - 3.35% per annum. The loan repayment is to be made whenever the Company fulfils the conditions stipulated in the long-term loan agreements made with financial institution. These loans are unsecured.

14. Provisions for long-term employee benefits

	(Unit: Thousand Baht)
At 1 April 2014	21,015
Decrease during the year	<u>(99)</u>
At 31 March 2015	20,916
Increase during the year	<u>6,721</u>
At 31 March 2016	<u>27,637</u>

The provisions represent the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services and salary increase rate, among other things.

15. Income tax

Income tax expenses for the years ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
		(Restated)
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(958)	(7,048)
Income tax reported in the income statement	<u>(958)</u>	<u>(7,048)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2016 and 2015

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
		(Restated)
Accounting profit (loss) before tax	28,229	(108,750)
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by Applicable tax rate	5,646	(21,750)
Tax saving from promotional privileges (Note 16)	(18,843)	(20,902)
Tax loss which not recorded as deferred tax assets	27,571	32,631
Utilisation of previous unrecognised tax losses as deferred tax assets	(14,962)	-
Tax effect of income and expense that are not taxable income or not deductible in determining taxable profit	(370)	2,973
Income tax reported in the income statement	<u>(958)</u>	<u>(7,048)</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	As at	As at
	<u>31 March 2016</u>	<u>31 March 2015</u>
		(Restated)
Deferred tax assets		
Allowance for doubtful accounts	7,033	7,419
Allowance for diminution in value of inventories	955	955
Provision for long-term employee benefits	5,527	4,183
Total	<u>13,515</u>	<u>12,557</u>

As at 31 March 2016, the Company has unused tax losses totaling Baht 680 million (2015: Baht 617 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

16. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of plastic product or plastic coat, pursuant to the promotion certificate No. 1212(2)/2555 issued on 20 February 2012. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (8 July 2013) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Sales						
Domestic sales	531,861	579,755	204,536	329,424	736,397	909,179
Export sales	<u>1,130,847</u>	<u>1,040,724</u>	<u>1,199,184</u>	<u>1,252,143</u>	<u>2,330,031</u>	<u>2,292,867</u>
Total sales	<u>1,662,708</u>	<u>1,620,479</u>	<u>1,403,720</u>	<u>1,581,567</u>	<u>3,066,428</u>	<u>3,202,046</u>

17. Commitments and contingent liabilities

17.1 Operating lease commitments

In 1990, the Company entered into a land lease agreement at Map-Ta-Phut with the Industrial Estate Authority of Thailand. This agreement is for a period of thirty years and renewable for a period of twenty years. Under the terms of the agreement, the Company is committed to pay annual rental of approximately Baht 4 million. The rental is subject to escalation adjustment every ten years.

The Company has entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 7 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows

	(Unit: Million Baht)	
	As at 31 March	
	<u>2016</u>	<u>2015</u>
Payable:		
In up to 1 year	5	4
In over 1 and up to 5 years	16	17
In over 5 years	-	7

17.2 Guarantees

As at 31 March 2016 and 2015, there were outstanding bank guarantees as following:

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Letter of guarantee for using electricity	24	24
Letter of guarantee for land lease	4	4
Letter of guarantee for natural gas purchases	2	2
	<u>30</u>	<u>30</u>

18. Financial derivative

Foreign exchange contract outstanding is summarised below.

As at 31 March 2016			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	0.5	34.94	22 June 2016

19. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 9 May 2016.