Karmarts Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		12,823	15,618	8,994	10,410
Current investments	*7*	11,539	76,500	11,539	76,500
Trade and other receivables	*3, 4*	284,937	222,663	284,937	222,650
Current portion of finance lease receivables		34	40	34	40
Short-term loans to related parties	*4*	65,956	2,656	65,956	10,473
Short-term loans to unrelated person and parties	*5*	52,677	-	52,677	-
Current portion of long-term loans to unrelated persons and parties		420	772	420	772
Inventories	*6*	248,214	198,339	248,249	198,702
Other current assets	*8*	53,515	21,945	53,433	21,769
Total current assets		730,115	538,533	726,239	541,316
Non-current assets					
Finance lease receivables - net of current portion		395	430	395	430
Long-term loans to unrelated persons and parties - net of current portion		25,744	983	25,744	983
Investments in joint venture	*9*	3,077	-	3,563	-
Investments in associate	*10*	70,406	70,668	71,030	71,030
Investments in subsidiaries	*11*	-	-	2,500	2,500
Investment properties	*12*	115,000	115,000	115,000	115,000
Property, plant and equipment	*13*	226,430	229,090	226,362	221,713
Intangible assets	*14*	11,902	9,466	11,902	8,059
Deferred tax assets		7,199	11,364	7,199	11,364
Other non-current assets	*3*	24,051	25,649	24,051	24,838
Total non-current assets		484,204	462,650	487,746	455,917
Total assets		1,214,319	1,001,183	1,213,985	997,233

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

Karmarts Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	*15*	251,993	133,948	251,993	133,948
Trade and other payables	*4, 16*	103,327	57,563	103,240	55,438
Current portion of liabilities under finance lease agreements		2,363	2,702	2,363	2,702
Income tax payable		32,594	22,775	32,594	22,775
Other current liabilities		9,955	10,516	7,699	8,232
Total current liabilities		400,232	227,504	397,889	223,095
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		4,977	5,746	4,977	5,746
Provision for long-term employee benefits		12,047	11,132	12,047	11,132
Deferred tax liabilities		40,766	40,719	40,766	40,719
Total non-current liabilities		57,790	57,597	57,790	57,597
Total liabilities		458,022	285,101	455,679	280,692

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

Karmarts Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
660,000,000 ordinary shares of Baht 0.60 each		396,000	396,000	396,000	396,000
Issued and fully paid up					
659,568,809 ordinary shares of Baht 0.60 each		395,741	395,741	395,741	395,741
Share premium		83,396	83,396	83,396	83,396
Capital reduction surplus		15,267	15,267	15,267	15,267
Retained earnings					
Appropriated - statutory reserve	*17*	39,574	33,588	39,574	33,588
Unappropriated		180,462	148,738	182,821	147,042
Other components of shareholders' equity		41,472	41,507	41,507	41,507
Equity attributable to owners of the Company		755,912	718,237	758,306	716,541
Non-controlling interests of the subsidiaries		385	(2,155)	-	-
Total shareholders' equity		756,297	716,082	758,306	716,541
Total liabilities and shareholders' equity		1,214,319	1,001,183	1,213,985	997,233
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales	*4*	393,768	284,197	393,768	284,224
Income from bus service operator		140	1,258	-	-
Income from warehouse rental and warehouse services		5,234	4,697	5,234	4,697
Gain on disposal of investment in subsidiary	*2.2*	611	-	428	-
Other income	*4*	4,344	3,171	4,746	3,351
Total revenues		404,097	293,323	404,176	292,272
Expenses					
Cost of sales	*4*	175,024	126,732	175,088	126,759
Cost of bus service operator		690	1,783	-	-
Cost of warehouse rental and warehouse services		-	176	-	176
Selling expenses		116,000	64,475	115,998	64,475
Administrative expenses		30,180	34,353	27,492	34,987
Total expenses		321,894	227,519	318,578	226,397
Profit before share of loss from investments in joint venture and associate, finance cost and income tax expenses		82,203	65,804	85,598	65,875
Share of loss from investments in joint venture and associate		(243)	(115)	-	-
Profit before finance cost and income tax expenses		81,960	65,689	85,598	65,875
Finance cost	*4*	(2,973)	(2,815)	(2,938)	(2,778)
Profit before income tax expenses		78,987	62,874	82,660	63,097
Income tax (expenses)	*18*	(17,482)	1,621	(17,482)	1,621
Profit for the periods		61,505	64,495	65,178	64,718
Profit or loss attributable to:					
Equity holders of the Company		61,738	64,821	65,178	64,718
Non-controlling interests of the subsidiaries		(233)	(326)		
		61,505	64,495		
					(Unit: Baht)
Basic earnings per share	*19*				
Profit attributable to equity holders of the Company		0.094	0.098	0.099	0.098
Weighted average number of common stock (shares)		659,568,809	659,568,809	659,568,809	659,568,809

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the periods	61,505	64,495	65,178	64,718
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent period:				
Share of loss from exchange rate differences on translation of joint venture's financial statements in foreign currency	-	-	-	-
Total comprehensive income for the periods	61,505	64,495	65,178	64,718
Total comprehensive income attributable to:				
Equity holders of the Company	61,738	64,821	65,178	64,718
Non-controlling interests of the subsidiaries	(233)	(326)		
	61,505	64,495		

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Income statement

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales	*4*	717,579	574,854	717,579	574,881
Income from bus service operator		942	1,264	-	-
Income from warehouse rental and warehouse services		9,148	9,672	9,148	9,672
Gain on disposal of investment in subsidiary	*2.2*	611	-	428	-
Other income	*4*	13,821	5,253	14,933	5,627
Total revenues		742,101	591,043	742,088	590,180
Expenses					
Cost of sales	*4*	315,703	259,181	316,073	259,208
Cost of bus service operator		1,718	3,731	-	-
Cost of warehouse rental and warehouse services		134	665	134	665
Selling expenses		197,431	140,848	197,428	140,848
Administrative expenses		53,374	61,891	51,056	61,343
Total expenses		568,360	466,316	564,691	462,064
Profit before share of loss from investments in joint venture and associate, finance cost and income tax expenses		173,741	124,727	177,397	128,116
Share of loss from investments in joint venture and associate		(713)	(193)	-	-
Profit before finance cost and income tax expenses		173,028	124,534	177,397	128,116
Finance cost	*4*	(5,823)	(5,830)	(5,746)	(5,756)
Profit before income tax expenses		167,205	118,704	171,651	122,360
Income tax expenses	*18*	(37,547)	(13,109)	(37,547)	(13,109)
Profit for the periods		129,658	105,595	134,104	109,251
Profit or loss attributable to:					
Equity holders of the Company		130,049	106,246	134,104	109,251
Non-controlling interests of the subsidiaries		(391)	(651)		
		129,658	105,595		
					(Unit: Baht)
Basic earnings per share	*19*				
Profit attributable to equity holders of the Company		0.197	0.161	0.203	0.166
Weighted average number of common stock (shares)		659,568,809	659,568,809	659,568,809	659,568,809

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the periods	129,658	105,595	134,104	109,251
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss				
in subsequent period:				
Share of loss from exchange rate differences on translation				
of joint venture's financial statements in foreign currency	(35)	-	-	-
Total comprehensive income for the periods	129,623	105,595	134,104	109,251
Total comprehensive income attributable to:				
Equity holders of the Company	130,014	106,246	134,104	109,251
Non-controlling interests of the subsidiaries	(391)	(651)		
	129,623	105,595		

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of cash flows

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	167,205	118,704	171,651	122,360
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	15,945	15,134	14,283	11,475
Increase (decrease) in allowance for doubtful accounts	15,618	3,592	(286)	13,382
Increase in allowance for reducing cost of				
inventories to net realisable value	1,382	1,383	1,382	1,383
Increase (decrease) in allowance for impairment of assets	(2,430)	9,021	(2,430)	500
Unrealised loss (gain) on exchange rate	(4,724)	1,753	(4,724)	1,753
Gain on disposal of current investments	(2,262)	(129)	(2,262)	(129)
Unrealised loss (gain) on change in the fair value of				
current investments	(1,040)	251	(1,040)	251
Gain on disposal of investment in subsidiary	(611)	-	(428)	-
Fixed assets and intangible assets written off	7,143	39	89	39
Loss (gain) on disposal of fixed assets and intangible assets	(132)	4,753	(132)	4,753
Interest income	(2,528)	(2,141)	(2,871)	(2,530)
Dividend income	(322)	(360)	(322)	(360)
Provision for long-term employee benefits	978	820	978	820
Interest expenses	2,787	3,066	2,787	2,993
Share of loss from investments in joint venture and associate	713	193	-	-
Profit from operating activities before				
changes in operating assets and liabilities: -	197,722	156,079	176,675	156,690
Operating assets (increase) decrease				
Trade and other receivables	(75,225)	(51,676)	(59,334)	(52,051)
Finance lease receivables	924	979	924	979
Inventories	(51,035)	(10,970)	(50,707)	(10,445)
Other current assets	(28,340)	(4,182)	(28,434)	(3,929)
Other non-current assets	1,598	1,527	787	1,528
Operating liabilities increase (decrease)				
Trade and other payables	44,401	(4,023)	46,439	(4,248)
Other current liabilities	(561)	(1,808)	(533)	(1,820)
Cash from operating activities	89,484	85,926	85,817	86,704
Cash paid for long-term employee benefits	(63)	-	(63)	-
Cash paid for income tax	(23,516)	(5,547)	(23,516)	(5,547)
Net cash from operating activities	65,905	80,379	62,238	81,157

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Interest received	1,902	2,141	2,245	2,530
Dividend received	322	360	322	360
Increase in short-term loans to related parties	(63,300)	-	(55,483)	(10)
Decrease (increase) in short-term loans to unrelated person and parties	(55,663)	30,000	(55,663)	30,000
Increase in long-term loans to unrelated persons and parties	(24,347)	-	(24,347)	-
Proceeds from disposal of equipment and intangible assets	376	2,408	376	2,408
Proceeds from disposal of investment in subsidiary	611	-	428	-
Proceeds from disposal and redeem of current investments	105,365	7,500	105,365	7,500
Purchase of current investments	(37,102)	(14,742)	(37,102)	(14,742)
Purchases of land, equipment and intangible assets	(21,197)	(12,663)	(21,197)	(12,660)
Change in non-controlling interests of the subsidiary from disposal of investment in subsidiary	2,931	-	-	-
Increase in investments in joint venture	(3,563)	-	(3,563)	-
Net cash from (used in) investing activities	(93,665)	15,004	(88,619)	15,386
Cash flows from financing activities				
Decrease in restricted bank deposits	-	648	-	-
Increase in bank overdrafts and short-term loans from banks	122,534	1,312	122,534	1,312
Decrease in short-term loan from related person	-	(10,000)	-	(10,000)
Cash paid under finance leases	(1,886)	(2,064)	(1,886)	(2,064)
Cash paid for finance transaction cost	(800)	-	(800)	-
Interest paid	(2,544)	(2,858)	(2,544)	(2,784)
Dividend paid	(92,339)	(79,147)	(92,339)	(79,147)
Net cash from (used in) financing activities	24,965	(92,109)	24,965	(92,683)
Net increase (decrease) in cash and cash equivalents	(2,795)	3,274	(1,416)	3,860
Cash and cash equivalents at beginning of periods	15,618	59,712	10,410	54,568
Cash and cash equivalents at end of periods	12,823	62,986	8,994	58,428
	-		-	
Supplemental cash flows information: -				
Non-cash transactions: -				
Undue installments for acquisition of intangible assets	1,590	-	1,590	-
Purchases of vehicles under finance leases	543	4,240	543	4,240
Sales of equipment and vehicles that have not yet been collected	-	14	-	14
Transfer inventories to equipment	-	91	-	91
Transfer equipment to inventories	222	173	222	173
Transfer investment properties to property and plant	-	63,000	-	63,000
Transfer equipment to intangible assets	359	-	359	-

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
						Other components of shareholders' equity					
	Issued and paid-up share capital	Share premium	Capital reduction surplus	Retained earnings		Surplus on revaluation of assets	Exchange rate differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated						
Balance as at 1 January 2015	395,741	83,396	15,267	23,296	107,663	7,378	-	7,378	632,741	(903)	631,838
Profit for the period	-	-	-	-	106,246	-	-	-	106,246	(651)	105,595
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	106,246	-	-	-	106,246	(651)	105,595
Dividend paid (Note 23)	-	-	-	-	(79,147)	-	-	-	(79,147)	-	(79,147)
Transfer to statutory reserve (Note 17)	-	-	-	5,462	(5,462)	-	-	-	-	-	-
Balance as at 30 June 2015	395,741	83,396	15,267	28,758	129,300	7,378	-	7,378	659,840	(1,554)	658,286
Balance as at 1 January 2016	395,741	83,396	15,267	33,588	148,738	41,507	-	41,507	718,237	(2,155)	716,082
Profit for the period	-	-	-	-	130,049	-	-	-	130,049	(391)	129,658
Other comprehensive income for the period	-	-	-	-	-	-	(35)	(35)	(35)	-	(35)
Total comprehensive income for the period	-	-	-	-	130,049	-	(35)	(35)	130,014	(391)	129,623
Dividend paid (Note 23)	-	-	-	-	(92,339)	-	-	-	(92,339)	-	(92,339)
Transfer to statutory reserve (Note 17)	-	-	-	5,986	(5,986)	-	-	-	-	-	-
Change in non-controlling interests of the subsidiary from disposal of investment in subsidiary	-	-	-	-	-	-	-	-	-	2,931	2,931
Balance as at 30 June 2016	395,741	83,396	15,267	39,574	180,462	41,507	(35)	41,472	755,912	385	756,297

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

(Unaudited but reviewed)

Karmarts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Separate financial statements							
						Other components of shareholders' equity		
	Issued and paid-up share capital	Share premium	Capital reduction surplus	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2015	395,741	83,396	15,267	23,296	109,773	7,378	7,378	634,851
Profit for the period	-	-	-	-	109,251	-	-	109,251
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	109,251	-	-	109,251
Dividend paid (Note 23)	-	-	-	-	(79,147)	-	-	(79,147)
Transfer to statutory reserve (Note 17)	-	-	-	5,462	(5,462)	-	-	-
Balance as at 30 June 2015	395,741	83,396	15,267	28,758	134,415	7,378	7,378	664,955
Balance as at 1 January 2016	395,741	83,396	15,267	33,588	147,042	41,507	41,507	716,541
Profit for the period	-	-	-	-	134,104	-	-	134,104
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	134,104	-	-	134,104
Dividend paid (Note 23)	-	-	-	-	(92,339)	-	-	(92,339)
Transfer to statutory reserve (Note 17)	-	-	-	5,986	(5,986)	-	-	-
Balance as at 30 June 2016	395,741	83,396	15,267	39,574	182,821	41,507	41,507	758,306

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