

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
S. PACK & PRINT PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of S. PACK & PRINT PUBLIC COMPANY LIMITED and its subsidiary and the separate financial statements of S. PACK & PRINT PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of S. PACK & PRINT PUBLIC COMPANY LIMITED and its subsidiary and of S. PACK & PRINT PUBLIC COMPANY LIMITED as at December 31, 2018, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. My opinion on the consolidated and separate financial statements is not modified with respect to any of the key audit matters described below and I do not express an opinion on these individual matters.

INDEPENDENT AUDITOR'S REPORT (Con't) -2-

Key Audit Matter (Con't)

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

Key audit matter and how audit procedures respond for matter is described below.

Impairment of investment in subsidiary

As described in Note 9 to the separate financial statements. The Company has investment in subsidiary amounting to Baht 500.10 million accounting for 58% of total assets in the separate financial statements. The subsidiary has continued to incur losses. As such, the management has considered that was indication of impairment in its investment in the subsidiary.

As at December 31, 2018, the management assessed the impairment of investment in the subsidiary, taking into consideration of its ongoing performance and its future business plan. The Company calculated the value in use by using the discounted cash flow model from the future cash flows forecasts. The Company applied many of key assumptions for the future cash flows forecasts, such as income growth rates, estimated income and expense and capability to make the cash payment return to its shareholders. The forecasted result was sensitive and may cause significant change in net present value of future cash flows based on assumption used by the management's judgement in calculating the estimates.

Because the abovementioned matter is judgmental in nature and the balance amount of Impairment of the subsidiary in the consolidated financial statements is material, I, therefore, considered this to be significant for my audit.

My significant audit procedures, among others, includes:

- Evaluated, interviewed the management and understand the processes related to the identification of Impairment of investment in the subsidiary, the preparation of discounted future cash flow and the management's approval.
- Evaluated the reasonableness of indicators for Impairment of investment the subsidiary based on the current market situation, business environment and other information received during the audit.
- In performing impairment assessment, I obtained information about the estimate of discounted future cash flows from the subsidiary's management, interviewed the management and determined the appropriateness of the assumption used in order to evaluate the reliability of the management.

INDEPENDENT AUDITOR'S REPORT (Con't) -3-

Key Audit Matter (Con't)

- I challenged management on the reasonability, reliability and appropriateness of the key assumptions used in the impairment test in respect to current conditions.
- Reviewed the presentation and related disclosures.

Through this work, I concluded that the recognition of Impairment of the subsidiary was reasonable based on available evidence and the current conditions.

Other Information

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

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

In connection with my audit of the consolidated and separate 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 consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the consolidated and separate financial statements

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

In preparing the consolidated and separate 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.

INDEPENDENT AUDITOR'S REPORT (Con't) -4-

Auditor's Responsibilities for the Audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with Thai 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Con't) -5-

Auditor's Responsibilities for the Audit of the consolidated and separate financial statements (Con't)

- 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 and separate financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Pornnip Amornchailertpattana.



(Pornnip Amornchailertpattana)

Certified Public Accountant (Thailand) No. 9589

OFFICE OF PITISEVI CO., LTD.

8/4, Floor 1st, 3rd, Soi Viphavadee Rangsit 44,
Chatuchak, Bangkok

February 27, 2019

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Note		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	28,737,713.61	45,283,701.95	23,112,037.63	26,099,313.96
Trade accounts and other current receivable - net	5, 7	203,275,197.31	160,560,549.92	112,237,861.23	84,406,186.77
Inventories - net	8	192,159,775.13	196,676,296.64	99,138,440.77	105,845,206.95
Long - term loans to employees - current portion	10	996,457.14	2,528,688.12	517,300.50	1,295,302.01
Other current assets		263,514.98	443,197.29	27,465.95	73,170.19
Total current assets		425,432,658.17	405,492,433.92	235,033,106.08	217,719,179.88
NON - CURRENT ASSETS					
Investment in subsidiary	9	-	-	500,100,399.40	500,100,399.40
Long - term loans to employees - net	10	584,086.90	1,336,273.48	174,435.98	564,318.26
Investment property - net	11	14,298,750.00	14,298,750.00	-	-
Property, plant and equipment - net	12	788,689,022.28	838,969,705.29	119,020,187.39	130,994,905.99
Intangible assets - net	13	7,225,489.38	10,489,486.61	2,557,086.39	3,765,238.37
Deferred tax assets	14	4,804,512.76	5,702,222.59	3,062,435.83	2,346,845.53
Other non - current assets		996,125.56	576,366.65	464,681.27	304,681.27
Total non - current assets		816,597,986.88	871,372,804.62	625,379,226.26	638,076,388.82
TOTAL ASSETS		1,242,030,645.05	1,276,865,238.54	860,412,332.34	855,795,568.70

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Note		2018	2017	2018	2017
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdraft and loans from financial institutions	15	277,574,258.45	266,140,702.53	94,074,258.45	95,531,905.99
Trade accounts and other current payable	5, 16	143,145,872.07	123,439,090.19	62,567,755.50	65,272,627.70
Current portion of					
Long - term loan from financial institution	17	61,466,800.00	61,466,800.00	-	-
Provisions for employee benefits	18	-	501,464.00	-	501,464.00
Accrued income tax		2,600,626.98	1,396,677.83	2,600,626.98	1,396,677.83
Accrued dividend		20,536,450.82	20,534,224.40	20,536,450.82	20,534,224.40
Other current liabilities		2,136,452.39	1,777,855.26	660,458.74	496,133.09
Total current liabilities		507,460,460.71	475,256,814.21	180,439,550.49	183,733,033.01
NON - CURRENT LIABILITIES					
Long - term loan from financial institutions - net	17	260,966,300.00	322,433,100.00	-	-
Provision for employee benefit - net	18	32,102,438.00	32,665,914.00	18,409,937.00	17,023,695.00
Total non - current liabilities		293,068,738.00	355,099,014.00	18,409,937.00	17,023,695.00
TOTAL LIABILITIES		800,529,198.71	830,355,828.21	198,849,487.49	200,756,728.01

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Note		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY (Con't)					
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
	300,000,000 Common Shares of Baht 1 each	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Issued and paid - up share capital					
	300,000,000 Common Shares of Baht 1 each	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
	Share premium on common shares	278,374,901.60	278,374,901.60	278,374,901.60	278,374,901.60
Retained earnings (deficit)					
	Appropriated - Legal reserve	19 30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
	Unappropriated	(166,873,455.26)	(161,865,491.27)	53,187,943.25	46,663,939.09
	Total equity of the Company	441,501,446.34	446,509,410.33	661,562,844.85	655,038,840.69
	Non - controlling interests	-	-	-	-
	Total shareholders' equity	441,501,446.34	446,509,410.33	661,562,844.85	655,038,840.69
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,242,030,645.05	1,276,865,238.54	860,412,332.34	855,795,568.70

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht				
		Consolidated		Separate		
		2018	2017	2018	2017	
Note			(Reclassified)		(Reclassified)	
REVENUES						
	Sales income and proceeds from services	5	1,111,091,848.91	1,015,769,043.60	528,907,337.84	511,143,264.13
	Other incomes	5	3,115,626.09	5,094,032.68	1,629,268.97	3,140,418.00
	TOTAL REVENUES		1,114,207,475.00	1,020,863,076.28	530,536,606.81	514,283,682.13
EXPENSES						
	Cost of sales and services	5	987,126,100.55	912,460,299.95	469,796,339.26	450,960,253.97
	Distribution costs		41,359,789.25	38,534,349.71	14,981,872.04	14,541,453.00
	Administrative expenses	5	56,899,828.88	56,697,918.35	27,598,671.22	27,088,401.60
	Finance cost		24,380,800.19	26,449,935.39	2,066,882.14	2,427,405.66
	TOTAL EXPENSES		1,109,766,518.87	1,034,142,503.40	514,443,764.66	495,017,514.23
	PROFIT (LOSS) BEFORE INCOME TAX		4,440,956.13	(13,279,427.12)	16,092,842.15	19,266,167.90
	Income tax (expenses) income	14.2	(3,130,515.94)	(4,259,398.44)	(1,863,859.41)	(2,468,440.10)
	NET PROFIT (LOSS) FOR THE YEAR		1,310,440.19	(17,538,825.56)	14,228,982.74	16,797,727.80
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income not to be reclassified						
to profit or loss in subsequent year :						
	Actuarial gains (loss) - net of income tax	14.2, 18	2,081,596.00	(810,178.00)	695,021.60	(861,188.00)
	COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		3,392,036.19	(18,349,003.56)	14,924,004.34	15,936,539.80
NET PROFIT (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		1,310,440.19	(17,538,825.56)		
	Non - controlling interersts		-	-		
	Net profit (loss) for the year		1,310,440.19	(17,538,825.56)		
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		3,392,036.19	(18,349,003.56)		
	Non - controlling interersts		-	-		
	COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		3,392,036.19	(18,349,003.56)		
BASIC EARNINGS (LOSS) PER SHARE (BAHT : SHARES)						
	Equity holders of the parent company	23	0.004	(0.058)	0.047	0.056

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht						
Consolidated						
	Note	Issued and paid - up share capital	Retained earnings (deficit)			Total
			Share premium	Appropriated Legal reserve	Unappropriated	
Beginning balance as at January 1, 2017		300,000,000.00	278,374,901.60	30,000,000.00	(137,816,487.56)	470,558,414.04
Divident paid	20.2	-	-	-	(5,700,000.15)	(5,700,000.15)
Comprehensive loss for the year						
Net loss for the year		-	-	-	(17,538,825.56)	(17,538,825.56)
Other comprehensive loss	14.2	-	-	-	(810,178.00)	(810,178.00)
Ending balance as at December 31, 2017		300,000,000.00	278,374,901.60	30,000,000.00	(161,865,491.27)	446,509,410.33
Divident paid	20.1	-	-	-	(8,400,000.18)	(8,400,000.18)
Comprehensive income for the year						
Net profit for the year	14.2	-	-	-	1,310,440.19	1,310,440.19
Other comprehensive income		-	-	-	2,081,596.00	2,081,596.00
Ending balance as at December 31, 2018		300,000,000.00	278,374,901.60	30,000,000.00	(166,873,455.26)	441,501,446.34

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht						
Separate						
	Note	Issued and paid - up share capital	Retained earnings			Total
			Share premium	Appropriated Legal reserve	Unappropriated	
Beginning balance as at January 1, 2017		300,000,000.00	278,374,901.60	30,000,000.00	36,427,399.44	644,802,301.04
Divident paid	20.2	-	-	-	(5,700,000.15)	(5,700,000.15)
Comprehensive income (loss) for the year						
Net profit for the year		-	-	-	16,797,727.80	16,797,727.80
Other comprehensive loss	14.2	-	-	-	(861,188.00)	(861,188.00)
Ending balance as at December 31, 2017		300,000,000.00	278,374,901.60	30,000,000.00	46,663,939.09	655,038,840.69
Divident paid	20.1	-	-	-	(8,400,000.18)	(8,400,000.18)
Comprehensive income (loss) for the year						
Net profit for the year		-	-	-	14,228,982.74	14,228,982.74
Other comprehensive income	14.2	-	-	-	695,021.60	695,021.60
Ending balance as at December 31, 2018		300,000,000.00	278,374,901.60	30,000,000.00	53,187,943.25	661,562,844.85

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Note		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
	Profit (loss) before corporate income tax	4,440,956.13	(13,279,427.12)	16,092,842.15	19,266,167.90
	Reconciliations of net profit (loss) to net cash provided by (used in) operating activities				
	Depreciation	12 56,171,107.12	57,444,348.83	14,186,423.89	15,294,219.42
	Amortization of intangible assets	13 3,263,997.23	3,093,444.32	1,208,151.98	1,190,694.95
	Bad debt	10 31,683.67	93,259.00	-	93,259.00
	Doubtful accounts	7, 10 128,500.39	67,549.73	-	-
	Allowances for obsolete goods	8 839,398.96	457,480.59	-	-
	Allowances for obsolete goods (reversal)	8 (1,664,606.01)	(2,861,060.80)	-	-
	(Gain) loss from disposal of fixed assets	121,764.50	(90,442.50)	(50,882.24)	(94,300.38)
	Unrealized (gain) loss from exchange rate	503,975.38	-	-	(568,279.09)
	Provision for employee benefit	18 3,812,039.00	3,620,048.00	2,053,233.00	1,985,473.00
	Interest income	(211,466.31)	(335,981.42)	(121,104.49)	(235,260.17)
	Interest expenses	24,380,800.19	26,449,935.39	2,066,882.14	2,427,405.66
	Profit from operating activities before changes in operating assets and liabilities	91,818,150.25	74,659,154.02	35,435,546.43	39,359,380.29
	Decrease (Increase) in operating assets				
	Trade accounts and other current receivable	(41,989,291.50)	(3,554,362.04)	(27,831,674.46)	4,814,004.53
	Inventories	5,341,728.56	(57,374,953.41)	6,706,766.18	(25,244,184.95)
	Other current assets	179,682.31	(113,596.19)	45,704.24	(52,586.20)
	Other non - current assets	(419,758.91)	291,436.42	(160,000.00)	558,121.80
	Increase (Decrease) in operating liabilities				
	Trade accounts and other current payable	20,663,814.83	39,108,667.07	(1,240,592.75)	19,503,788.84
	Other current liabilities	358,597.13	928,192.47	164,325.65	(75,564.60)
	Employee benefits paid during the year	18 (2,274,984.00)	(1,008,296.00)	(299,678.00)	(1,008,296.00)
	Cash provided by (used in) operating activities	73,677,938.67	52,936,242.34	12,820,397.29	37,854,663.71
	Interest paid	(25,056,658.02)	(26,661,652.88)	(2,020,655.20)	(2,429,160.41)
	Income tax paid	(1,549,255.96)	(3,471,732.76)	(1,549,255.96)	(3,471,732.76)
	Net cash provided by (used in) operating activities	47,072,024.69	22,802,856.70	9,250,486.13	31,953,770.54

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

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
Note		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to employees	10	(420,000.00)	(1,457,550.00)	(300,000.00)	(293,550.00)
Receipt of loans to employees	10	2,544,233.50	3,656,682.24	1,467,883.79	2,045,670.16
Interest income		211,466.31	335,981.42	121,104.49	235,260.17
Payments of asset payable		(1,510,506.39)	-	(1,510,506.39)	-
Acquisition of fixed assets	12	(6,356,161.86)	(15,391,293.44)	(2,211,729.94)	(4,948,223.89)
Acquisition of intangible assets	13	-	(548,000.00)	-	(240,000.00)
Cash received from disposal of fixed assets		343,973.25	227,938.85	50,906.89	165,030.65
Net cash provided by (used in) investing activities		(5,186,995.19)	(13,176,240.93)	(2,382,341.16)	(3,035,812.91)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (Decrease) in bank overdraft and loans from financial institutions		11,433,555.92	69,766,601.10	(1,457,647.54)	(10,301,361.32)
Repayments for long - term loans from financial institutions	17	(61,466,800.00)	(46,100,100.00)	-	-
Dividend paid		(8,397,773.76)	(5,699,133.18)	(8,397,773.76)	(5,699,133.18)
Net cash provided by (used in) financing activities		(58,431,017.84)	17,967,367.92	(9,855,421.30)	(16,000,494.50)
Net cash and cash equivalent increase (decrease)		(16,545,988.34)	27,593,983.69	(2,987,276.33)	12,917,463.13
Cash and cash equivalents at beginning balance	6	45,283,701.95	17,689,718.26	26,099,313.96	13,181,850.83
Cash and cash equivalents at ending balance	6	28,737,713.61	45,283,701.95	23,112,037.63	26,099,313.96

Supplemental disclosures of cash flows information

1. Non - cash transactions (unit : baht)

The Company and its subsidiary purchased

fixed assets on credit

12	-	3,528,187.21	-	1,411,688.21
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Transfers of deposit to fixed assets

-	1,041,360.00	-	-
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2. Unutilized credit facilities for future working capital

(unit : million baht)

1,369	1,202	864	834
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Notes to the financial statements are an integral part of these financial statements.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

The Company registered the change of the status of the Company to be a public company limited under Public Company Act with the Ministry of Commerce on April 20, 1994. The Company's head office is located at No. 119, Karnjanavanich Road, Takarm, Hadyai, Songkhla and its branch office is located in Sinsakhon Printing City Industrial Estate, No. 30/32, Moo 1, Kokkharm Subdistrict, Muang Samutsakorn District, Samutsakorn.

The Subsidiary's address in Sinsakhon Printing City Industrial Estate, No. 30/32, Moo 1, Kokkharm Subdistrict, Muang Samutsakorn District, Samutsakorn.

The Company is a subsidiary of Oji Holdings Corporation Company Limited registered Japan, which holds 75.72% of the Company's authorized capital.

The Company and its subsidiary operate in offset printing business, and manufacture corrugated and duplex board packaging products.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The statutory financial statements 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.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Thailand Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No. 1 (Revised 2017) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, No.2, B.E. 2559" dated October 11, 2016 under the Accounting Act B.E. 2543. which is effective for the preparation of financial statements of the Public Company Limited for the accounting period commencing on or after January 1, 2017.

The consolidated and separate financial statements are presented in Thai Baht, which is the Company's and its subsidiary's functional currency unless otherwise stated.

2. BASIS OF PREPARATION (Con't)

2.2 Basis of preparation of consolidated financial statements

- a) The consolidated financial statements included the accounts of the Company and its subsidiary, Sahakij Packaging Company Limited, which operates in printing business, manufactures corrugated and duplex board packaging products with the shareholding of 100% of authorized share capital.
- b) Subsidiary is all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.
- c) The financial statement of this company has been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control ceases.
- d) The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

- e) Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.
- f) Non-controlling interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

- g) The financial statements of the subsidiary, associate are prepared for the same reporting period as the Company and significant accounting policies as the Company for the same accounting items or similar accounting events.
- h) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiary have also been eliminated from the consolidated financial statements.

2.3 Principles of separate financial statements

The separate financial statements, which present investments in subsidiary under the cost method less impairment losses, have been prepared solely for the benefit of the public

3. NEW FINANCIAL REPORTING STANDARDS

3.1 New Financial Reporting Standards effective in the current year

In current year, the Company and its subsidiary has applied the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), and Interpretations (TSIC and TFRIC) as announced by the Thailand Federation of Accounting Professions as follows.-

Thai Accounting Standards (“TAS”)

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Venture
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standard (“TFRS”)

TFRS 2 (revised 2017)	Share - Based Payments
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments

3. NEW FINANCIAL REPORTING STANDARDS (Con't)

3.1 New Financial Reporting Standards effective in the current year (Con't)

Thai Financial Reporting Standard ("TFRS") (Con't)

TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement

Thai Accounting Standard Interpretations ("TSIC")

TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes Involving the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programs
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiary.

3. NEW FINANCIAL REPORTING STANDARDS (Con't)

3.2 New Thai Accounting Standards announce during the year not yet adopted

In current year, the Thailand Federation of Accounting Professions has issued Notification regarding the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) which were announced and these have been published in the Royal Gazette. The Company and its subsidiary has not applied such standards before the effective period as follows.-

3.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019

Thai Accounting Standards ("TAS")

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events after the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Venture
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture

Thai Financial Reporting Standard ("TFRS")

TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 2 (revised 2018)	Share - Based Payments
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources

3. NEW FINANCIAL REPORTING STANDARDS (Con't)

3.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

3.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019 (Con't)

Thai Financial Reporting Standard ("TFRS")

TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers

Thai Accounting Standard Interpretations ("TSIC")

TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes Involving the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

3.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020

Thai Accounting Standards ("TAS")

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standard ("TFRS")

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

3. NEW FINANCIAL REPORTING STANDARDS (Con't)

3.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

3.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020 (Con't)

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The management of the Company and its subsidiary believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.-

IFRS 15 Revenue from Contracts with Customers

This standard is established a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It replaces existing revenue recognition standards as follows.-

Thai Accounting Standard ("TAS")

TAS 11 (revised 2017) Construction contracts

TAS 18 (revised 2017) Revenue

Thai Accounting Standard Interpretations ("TSIC")

TSIC 31 (revised 2017) Revenue - barter transactions involving advertising services

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 13 (revised 2017) Customer loyalty programs

TFRIC 15 (revised 2017) Agreements for the construction of real estate

TFRIC 18 (revised 2017) Transfers of assets from customers

This newly Thai Financial Reporting Standard IFRS 15 has no impact to the Company and its subsidiary.

3. NEW FINANCIAL REPORTING STANDARDS (Con't)

3.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

3.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020 (Con't)

The set of TFRSs related to financial instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled as follows.-

Thai Accounting Standard ("TAS")

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

Newly Thai Financial Reporting Standard, the management of the Company and its subsidiary is still evaluating the possible impact on the financial statements in the year in which TAS will be applied.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Recognition of revenues

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow into the enterprise and the amount of the revenue can be measured reliably.

Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers.

Revenues from services are recognized when services are rendered.

Interest income is recognized on a time proportion basis that takes into account of the effective yield on the assets.

Other income is recognizes on an accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.2 Cash and cash equivalents

Cash and cash equivalent consist of cash on hand, bank deposits with financial institution with an original maturities of 3 month or less, which are not restricted to any use and not subject to withdrawal restrictions.

Cash at bank that have restricted in use are presented separately as "Deposit at bank held as collateral" under non-current assets in the statement of financial position.

4.3 Trade accounts and other current receivable and allowance for doubtful accounts

Trade accounts and other receivable are stated at the net realizable value net from the allowance of doubtful accounts. 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, the analysis of debt aging and its current financial position.

4.4 Inventories and allowance for diminution in inventory value

Inventories are valued at the lower of average cost or net realizable value.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost to complete and to make the sale.

Allowance for diminution in inventory value is provided, where necessary, for slow-moving and deteriorated inventories based on current condition of the inventory and for the cost higher than net realizable value.

4.5 Investment

Investments in subsidiary

Investments in the subsidiary in the separate financial statement is are measured at cost net of impairment losses (if any).

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss (comprehensive income).

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.6 Investment property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at fair value less accumulated impairment losses (if any).

Investment property of the subsidiary is land which is currently undetermined for future.

4.7 Property Plant and Equipment

Property is presented at cost amount net allowance for impairment loss (if any).

Plant and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of land, premises and equipment have different useful lives, they are accounted for as separate items (major components) of lands, premises and equipment.

Expenditure for additions, replacement and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The depreciation for all assets is computed by reference to their costs after deducting residual value, on the straight-line method over the assets useful life at the following rates.-

Land improvement	5	Years
Building and improvement	5 - 30	Years
Electricity system for building	10	Years
Wastewater treatment system	5 - 10	Years
Machinery and equipment	3 - 20	Years
Tools and equipment	5 - 10	Years
Furniture and office equipment	5 - 10	Years
Vehicles	5	Years

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.7 Property Plant and Equipment (Con't)

No depreciation is provided for land and provided on assets under installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.8 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing costs consist of interest and other costs that the entities incurs in connection with the borrowing of the Company and its subsidiary.

4.9 Intangible assets and amortization

Intangible assets that are acquired by the Company and have finite useful lives are presented at historical cost net of accumulated amortization and net allowance for impairment (if any).

Intangible assets with finite lives are amortized on a systematic basis by the straight-line method, over the economic useful life from the date that they are available for use and tested for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization is computed by the straight-line method over the asset economic useful life as the following rate.-

Computer software	5	years
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4.10 Employee benefits

4.10.1 Short - term employee benefits

Short-term employee benefit obligations, which include salary, wages, bonuses and contributions to the social security fund and provident fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

4.10.2 Defined contribution plan

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

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.10 Employee benefits (Con't)

4.10.3 Defined benefit plan

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognized past service cost and unrecognized actuarial gains or losses.

4.11 Provision

A provision is recognized in the statement of financial position when the Company and its subsidiary has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.12 Transaction in foreign currencies

Transactions in foreign currencies are converted into Baht as the functional currency at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on that date. Gain or losses on exchange rates are recognized as income or expense for the reporting period.

4.13 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax

The Company and its subsidiary provide income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.13 Income tax (Con't)

Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

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

4.14 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net income (loss) for the year by the number of weighted - average common shares issued and paid - up during the year, adjusted for own shares held (if any).

4.15 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company including holding companies, subsidiary and fellow subsidiary are related parties of the Company.

They also include associate companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiary operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.15 Related party transactions (Con't)

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

4.16 Impairment

The Company and its subsidiary assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.17 Operating lease

Operating lease - where is the lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on straight - line method over the lease term.

4.18 Operating segments

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.19 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts and other current receivable and long - term loans to employees, financial liabilities carried on the statement of financial position include bank overdraft and loans from financial institution, trade accounts and other current payable and long-term loans from financial institution. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.20 Fair value measurement

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

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

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

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

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

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

4.21 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, thus, the actual results may differ from carrying amounts of assets and liabilities based on the estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.21 Significant accounting judgments and estimates (Con't)

Significant accounting judgments and estimates are as follows.-

4.21.1 Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

4.21.2 Allowance for doubtful accounts

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

4.21.3 Allowance for obsolescence and diminution

Allowance for obsolescence and diminution in value of inventories are intended to adjust the value of inventories for probable losses. The management uses judgment to establish allowances for estimated losses for each outstanding inventories. The allowances for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

4.21.4 Property plant and equipment and depreciation

In calculating depreciation on building and equipment, the management estimates useful lives and residual values of the Company's building and equipment and reviews estimated useful lives and salvage values if there are any changes.

4.21.5 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment analysis, requires management to make subjective judgments concerning estimates of how the acquired asset will perform in the future using a discounted cash flow analysis. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

4.21.6 Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

4.21.7 Impairment of assets

The management is required to review assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.21 Significant accounting judgments and estimates (Con't)

4.21.8 Provision for employee benefit

In providing retirement employee benefit, the management is required to use judgment to determine the probability that its employee will work until retired by considering the past information which will be revised annually. The assumptions applied in the annual calculation are based on cost of service in the past and terms of employment benefit.

4.21.9 Lease

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

5. RELATED PARTY TRANSACTIONS

The Company has certain transactions with subsidiary and related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

The Related Company	Relation and pricing policy	Position and Business		Percentage of Holding	
		Activities	Location	2018	2017
Oji Holdings Corporation Co., Ltd.	1	Management	Japan	-	-
Sahakij Packaging Co., Ltd.	2	Printing house, produce and sell packaging production	Thailand	100	100
Box Asia Group International Co., Ltd. *	3	Produce and sell packaging products	Thailand	-	-
GS Paper & Packaging Sdn Bhd.	3	Produce and sell packaging products	Malaysia	-	-
GS Paperboard Sdn Bhd.	3	Produce and sell packaging products	Malaysia	-	-
Union and Oji Interpack Co., Ltd.	3	Produce and sell packaging products	Thailand	-	-
Ojitex Haiphong Co., Ltd.	3	Produce and sell packaging products	Vietnam	-	-
Oji Industrial Materials Management Co., Ltd.	3	Management	Japan	-	-
Oji Asia Packaging Sdn Bhd.	3	Management	Malaysia	-	-
Oji Fibre Solutions (NZ) Ltd.	3	Produce and sell packaging products	New Zealand	-	-
Trio Paper Mills Sdn Bdn.	3	Produce and sell packaging products	Malaysia	-	-
Kyokuyo Pulp & Paper Co., Ltd.	3	Trading	Japan	-	-
Oji Myanmar Packaging Co., Ltd.	3	Produce and sell packaging products	Myanmar	-	-

* Subsidiary of the parent company, until August 31, 2018

5. RELATED PARTY TRANSACTIONS (Con't)

The nature of relationship and pricing policy with its subsidiary company, related company and related persons are as follows.-

1. The Company's parent company; The guarantee fees for the loans of the Company and its subsidiary is charged at the rate of 0.20% per annum of the outstanding loan balance at each quarter (see Note 15 and 17 to the financial statements).
2. Subsidiary; The Company set raw material and finished goods sales price at cost plus agreed margin rates of 10% to 15% and machinery mutually agreed rate.
3. Subsidiary of parent company; The Company and its subsidiary purchase and sell finished goods and raw materials at market price. Subsidiary charges expense at cost.

The significant transactions with related companies are follows.-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Parent company				
Guarantee fee	1,254,577.95	1,313,091.99	177,972.53	197,797.20
Subsidiary				
Sales income	-	-	24,390.00	643,201.40
Other incomes	-	-	122,834.63	-
Purchases	-	-	5,226,046.12	4,632,696.81
Other expenses	-	-	479,353.69	3,100.00
Related companies				
Sales income	1,346,965.52	764,218.00	-	-
Purchases	310,721,896.30	137,874,223.13	177,157,012.01	75,699,685.78
Management fees	950,591.63	592,702.63	950,591.63	592,702.63
Other expenses	32,076.00	42,450.00	-	-

5. RELATED PARTY TRANSACTIONS (Con't)

Management's benefit expenses

The Company and its subsidiary had salaries, bonus, meeting allowances, contributions to the social security fund, provident funds, other welfare and post-employment benefits to their directors and management recognized as expenses as follows:-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Short - term benefits	21,180,319.58	19,090,232.12	12,574,382.24	12,709,203.28
Post - employment benefits	421,830.00	500,931.00	267,446.00	351,413.00
Total	21,602,149.58	19,591,163.12	12,841,828.24	13,060,616.28

The outstanding balances of accounts with related companies are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts and other current receivable				
<u>Trade accounts receivable</u>				
Subsidiary	-	-	-	459,539.86
Related company	206,214.47	57,780.00	-	-
Total Trade accounts receivable	206,214.47	57,780.00	-	459,539.86
<u>Advance payment</u>				
Related company	3,778.40	988.00	-	-
<u>Assets receivable</u>				
Subsidiary	-	-	131,433.05	-
Total Trade accounts and other current receivable	209,992.87	58,768.00	131,433.05	459,539.86

5. RELATED PARTY TRANSACTIONS (Con't)

The outstanding balances of accounts with related companies are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts and other current payable				
<u>Trade accounts payable</u>				
Subsidiary	-	-	179,229.60	265,816.03
Related companies - Domestic	729,645.84	1,048,283.28	-	-
- Foreign	71,876,714.39	39,361,536.49	37,071,007.27	24,372,692.69
Total Trade accounts payable	72,606,360.23	40,409,819.77	37,250,236.67	24,638,508.72
<u>Accrued expenses</u>				
Parent company	302,125.41	320,127.01	46,564.36	49,057.52
Related company	561,201.64	375,161.95	561,201.64	375,161.95
Total accrued expenses	863,327.05	695,288.96	607,766.00	424,219.47
Total Trade accounts and other current payable	73,469,687.28	41,105,108.73	37,858,002.87	25,062,728.19

Other matters

The ultimate parent company has guaranteed the Company's and it's subsidiary's facilities of Baht 160 million and Baht 700 million respectively.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Cash in hand	130,000.00	130,000.00	80,000.00	80,000.00
Outstanding cheque - net	977,715.51	-	-	-
Deposits at banks - savings	20,785,00.23	15,125,875.96	20,276,257.93	14,820,151.31
- current	6,844,997.87	30,027,825.99	2,755,779.70	11,199,162.65
Total	28,737,713.61	45,283,701.95	23,112,037.63	26,099,313.96

7. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE - NET

Trade accounts and other current receivable consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Trade accounts and notes receivable</u>				
Note receivables	1,808,094.43	1,999,951.02	-	-
Trade account - Related company	206,214.47	57,780.00	-	459,539.86
- Other companies	177,434,073.65	157,605,260.53	88,718,660.78	83,804,028.91
Total	179,448,382.55	159,662,991.55	88,718,660.78	84,263,568.77
<u>Less</u> Allowances for doubtful accounts	(4,998,607.85)	(4,998,607.85)	(3,321,911.87)	(3,321,911.87)
Trade accounts and note receivables - net	174,449,774.70	154,664,383.70	85,396,748.91	80,941,656.90
<u>Others current receivable</u>				
Prepaid expense	3,516,132.19	3,264,345.48	1,769,056.65	1,644,003.18
Deposit of machinery	23,951,769.00	-	23,951,769.00	-
Receivable from the Revenue Department	5,503.00	248,905.00	5,503.00	248,905.00
Assets receivable - Subsidiary	-	-	131,433.05	-
Other receivable	712,449.02	1,486,817.69	606,883.72	1,045,367.69
Advance payment for goods	189,866.90	-	189,866.90	-
Advance payment	449,702.50	896,098.05	186,600.00	526,254.00
Total Others current receivable	28,825,422.61	5,896,166.22	26,841,112.32	3,464,529.87
Total Trade accounts and Other current receivable - net	203,275,197.31	160,560,549.92	112,237,861.23	84,406,186.77

Trade account and note receivables aged by number of days are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Accounts receivables not yet due	158,614,991.50	120,507,067.96	76,579,446.15	79,257,701.33
Accounts receivables over due				
Under or equal to 3 months	14,785,117.91	34,157,315.74	7,767,637.47	1,683,955.57
Over 3 months to 6 months	994,468.75	-	994,468.75	-
Over 6 months to 12 months	55,196.54	-	55,196.54	-
Over 12 months	4,998,607.85	4,998,607.85	3,321,911.87	3,321,911.87
Total	179,448,382.55	159,662,991.55	88,718,660.78	84,263,568.77
<u>Less</u> Allowances for doubtful accounts	(4,998,607.85)	(4,998,607.85)	(3,321,911.87)	(3,321,911.87)
Trade accounts and note receivable - net	174,449,774.70	154,664,383.70	85,396,748.91	80,941,656.90

7. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE - NET (Con't)

Movements in allowance for doubtful accounts are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance for the year	4,998,607.85	4,931,058.12	3,321,911.87	3,321,911.87
<u>Add</u> Increase during the year	-	67,549.73	-	-
Ending balance for the year	4,998,607.85	4,998,607.85	3,321,911.87	3,321,911.87

8. INVENTORIES - NET

Inventories are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Finished goods	10,363,347.27	13,042,779.27	4,315,018.98	5,009,035.99
Work-in-process	16,959,657.02	13,658,743.33	2,366,458.47	3,197,556.11
Raw materials	147,261,815.28	149,041,217.52	81,094,224.18	77,697,428.78
Supplies and packing materials	4,964,658.70	4,072,627.27	2,877,059.55	2,340,244.20
Spare parts	8,276,947.45	8,144,118.26	7,432,816.44	7,541,421.19
Goods in transit	5,827,565.51	11,036,234.14	1,052,863.15	10,059,520.68
Total	193,653,991.23	198,995,719.79	99,138,440.77	105,845,206.95
<u>Less</u> Allowance for obsolete goods	(1,494,216.10)	(2,319,423.15)	-	-
Total inventories - net	192,159,775.13	196,676,296.64	99,138,440.77	105,845,206.95

Movements in allowance for obsolete in value of inventories are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance for the year	2,319,423.15	4,723,003.36	-	-
<u>Add</u> Increase during the year	839,398.96	457,480.59	-	-
<u>Less</u> Reversal during the year	(1,664,606.01)	(2,861,060.80)	-	-
Ending balance for the year	1,494,216.10	2,319,423.15	-	-

9. INVESTMENT IN SUBSIDIARY

Investment in subsidiary is as follows.-

Company	Unit : Baht							
	Paid - up (Million Baht)		Investment ownership (%)		Investment Separate Cost method		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017
Subsidiary								
Sahakit Packaging								
Company Limited	600	600	100	100	500,100,399.40	500,100,399.40	-	-

10. LONG - TERM LOANS TO EMPLOYEES - NET

Long - term loans to employees are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance for the year	3,864,961.60	6,064,093.84	1,859,620.27	3,611,740.43
<u>Add</u> Increase during the year	420,000.00	1,457,550.00	300,000.00	293,550.00
<u>Less</u> Received during the year	(2,544,233.50)	(3,656,682.24)	(1,467,883.79)	(2,045,670.16)
Total	1,740,728.10	3,864,961.60	691,736.48	1,859,620.27
<u>Less</u> Allowance for doubtful accounts	(128,500.39)	-	-	-
<u>Less</u> Bad debt	(31,683.67)	-	-	-
Ending balance for the year	1,580,544.04	3,864,961.60	691,736.48	1,859,620.27
<u>Less</u> Current portion	(996,457.14)	(2,528,688.12)	(517,300.50)	(1,295,302.01)
Ending balance for the year - net	584,086.90	1,336,273.48	174,435.98	564,318.26

The above loan provided by the loan agreement. The loans were charged with interest at MLR+1.5% personally guaranteed by employee who have working period over 3 years and have salaries 2 times of the borrow.

11. INVESTMENT PROPERTY - NET

Investment property - net are as consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Investment property - land</u>				
Cost	17,475,660.00	17,475,660.00	-	-
<u>Less</u> Allowance for impairment	(3,176,910.00)	(3,176,910.00)	-	-
Net book value	14,298,750.00	14,298,750.00	-	-
Fair value	14,298,750.00	14,298,750.00	-	-

12. PROPERTY, PLANT AND EQUIPMENT - NET

See Note to the financial statement Page 33 to 36

12.1 In 2018 and 2017 the Company and its subsidiary has acquired land, building and equipment by cash payment amounting to Baht 6.36 million and Baht 15.39 million respectively.

12.2 As at December 31, 2018 and 2017, the Company and its subsidiary have mortgaged their land and buildings and curtain machinery with commercial banks as collaterals for their loans as described in Notes 15 to the financial statements at cost amounting to Baht 648.71 million and Baht 653.65 million respectively and carrying amounting to Baht 508.60 million and Baht 524.66 million respectively for the consolidated financial statements (cost amounting to Baht 133.43 million and carrying amounting to Baht 94.76 million and Baht 99.32 million respectively for the separate financial statements).

12. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Property, plant and equipment - net are as consist of.-

	Unit : Baht									
	Consolidated									
	Land and land improvement	Buildings and improvement	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
<u>Cost</u>										
As at January 1, 2017	216,928,472.35	425,778,850.17	63,616,037.09	6,185,880.43	735,332,986.86	18,161,228.78	65,179,064.13	1,003,096.45	17,478,622.25	1,549,664,238.51
Purchase during the year	-	3,829,221.41	-	-	4,587,469.00	814,940.84	803,949.74	-	8,883,899.66	18,919,480.65
Transferred in (out)	-	-	-	-	-	-	-	-	1,041,360.00	1,041,360.00
Disposal during the year	-	-	-	-	(1,523,145.84)	(8,700.00)	(75,487.35)	-	-	(1,607,333.19)
As at December 31, 2017	216,928,472.35	429,608,071.58	63,616,037.09	6,185,880.43	738,397,310.02	18,967,469.62	65,907,526.52	1,003,096.45	27,403,881.91	1,568,017,745.97
<u>Accumulated depreciation</u>										
As at January 1, 2017	412,608.40	187,850,153.93	30,363,496.18	3,754,429.10	396,389,969.99	16,403,259.55	36,896,519.09	1,003,092.45	-	673,073,529.69
Depreciation for the year	-	12,256,182.27	6,304,680.61	762,862.67	31,039,834.06	1,032,868.22	6,047,921.00	-	-	57,444,348.83
Depreciation - disposals	-	-	-	-	(1,388,261.33)	(7,972.60)	(73,602.91)	-	-	(1,469,836.84)
As at December 31, 2017	412,608.40	200,106,336.20	36,668,176.79	4,517,291.77	426,041,542.72	17,428,155.17	42,870,837.18	1,003,092.45	-	729,048,040.68
<u>Net Book Value</u>										
As at January 1, 2017	216,515,863.95	237,928,696.24	33,252,540.91	2,431,451.33	338,943,016.87	1,757,969.23	28,282,545.04	4.00	17,478,622.25	876,590,708.82
As at December 31, 2017	216,515,863.95	229,501,735.38	26,947,860.30	1,668,588.66	312,355,767.30	1,539,314.45	23,036,689.34	4.00	27,403,881.91	838,969,705.29

12. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

	Unit : Baht									
	Consolidated									
	Land and land improvement	Buildings and improvement	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
Cost										
As at January 1, 2018	216,928,472.35	429,608,071.58	63,616,037.09	6,185,880.43	738,397,310.02	18,967,469.62	65,907,526.52	1,003,096.45	27,403,881.91	1,568,017,745.97
Purchase during the year	-	966,727.00	-	-	1,775,135.41	397,530.48	717,409.78	-	2,499,359.19	6,356,161.86
Transferred in (out)	-	-	-	-	27,403,881.91	-	-	-	(27,403,881.91)	-
Disposal during the year	-	-	-	-	(23,665,472.04)	(12,000.00)	(237,684.16)	-	-	(23,915,156.20)
As at December 31, 2018	216,928,472.35	430,574,798.58	63,616,037.09	6,185,880.43	743,910,855.30	19,353,000.10	66,387,252.14	1,003,096.45	2,499,359.19	1,550,458,751.63
Accumulated depreciation										
As at January 1, 2018	412,608.40	200,106,336.20	36,668,176.79	4,517,291.77	426,041,542.72	17,428,155.17	42,870,837.18	1,003,092.45	-	729,048,040.68
Depreciation for the year	-	12,617,826.83	5,701,612.83	404,501.13	31,421,000.54	598,135.26	5,428,030.53	-	-	56,171,107.12
Depreciation - disposals	-	-	-	-	(23,199,757.94)	(11,999.00)	(237,661.51)	-	-	(23,449,418.45)
As at December 31, 2018	412,608.40	212,724,163.03	42,369,789.62	4,921,792.90	434,262,785.32	18,014,291.43	48,061,206.20	1,003,092.45	-	761,769,729.35
Net Book Value										
As at January 1, 2018	216,515,863.95	229,501,735.38	26,947,860.30	1,668,588.66	312,355,767.30	1,539,314.45	23,036,689.34	4.00	27,403,881.91	838,969,705.29
As at December 31, 2018	216,515,863.95	217,850,635.55	21,246,247.47	1,264,087.53	309,648,069.98	1,338,708.67	18,326,045.94	4.00	2,499,359.19	788,689,022.28

Depreciation for the year end December 31, consist of.-

	Unit : Baht	
	2018	2017
Cost of sales	53,255,077.58	53,958,144.43
Administrative expenses	2,916,029.54	3,486,204.40
Total	56,171,107.12	57,444,348.83

12. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Unit : Baht

	Separate								Total
	Land and land improvement	Buildings and improvement	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	
<u>Cost</u>									
As at January 1, 2017	30,591,390.40	141,800,147.75	3,601,000.00	3,859,880.43	302,924,765.41	4,892,737.19	6,984,788.36	1,003,096.45	495,657,805.99
Purchase during the year	-	3,829,221.41	-	-	2,097,469.00	102,333.84	330,887.85	-	6,359,912.10
Disposal during the year	-	-	-	-	(1,117,486.84)	(8,700.00)	(13,177.07)	-	(1,139,363.91)
As at December 31, 2017	30,591,390.40	145,629,369.16	3,601,000.00	3,859,880.43	303,904,747.57	4,986,371.03	7,302,499.14	1,003,096.45	500,878,354.18
<u>Accumulated depreciation</u>									
As at January 1, 2017	412,608.40	128,082,756.08	3,188,036.18	1,828,562.68	210,400,560.27	4,334,759.92	6,407,486.43	1,003,092.45	355,657,862.41
Depreciation for the year	-	3,582,517.84	97,809.20	394,352.98	10,659,328.96	226,350.31	333,860.13	-	15,294,219.42
Depreciation - disposals	-	-	-	-	(1,047,484.97)	(7,972.60)	(13,176.07)	-	(1,068,633.64)
As at December 31, 2017	412,608.40	131,665,273.92	3,285,845.38	2,222,915.66	220,012,404.26	4,553,137.63	6,728,170.49	1,003,092.45	369,883,448.19
<u>Net Book Value</u>									
As at January 1, 2017	30,178,782.00	13,717,391.67	412,963.82	2,031,317.75	92,524,205.14	557,977.27	577,301.93	4.00	139,999,943.58
As at December 31, 2017	30,178,782.00	13,964,095.24	315,154.62	1,636,964.77	83,892,343.31	433,233.40	574,328.65	4.00	130,994,905.99

12. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Unit : Baht

Separate

	Separate									Total
	Land and land improvement	Buildings and improvement	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	
<u>Cost:-</u>										
As at January 1, 2018	30,591,390.40	145,629,369.16	3,601,000.00	3,859,880.43	303,904,747.57	4,986,371.03	7,302,499.14	1,003,096.45	-	500,878,354.18
Purchase during the year	-	206,872.00	-	-	302,487.42	171,950.48	196,893.48	-	1,333,526.56	2,211,729.94
Disposal during the year	-	-	-	-	(20,452,331.04)	(12,000.00)	(237,684.16)	-	-	(20,702,015.20)
As at December 31, 2018	30,591,390.40	145,836,241.16	3,601,000.00	3,859,880.43	283,754,903.95	5,146,321.51	7,261,708.46	1,003,096.45	1,333,526.56	482,388,068.92
<u>Accumulated depreciation</u>										
As at January 1, 2018	412,608.40	131,665,273.92	3,285,845.38	2,222,915.66	220,012,404.26	4,553,137.63	6,728,170.49	1,003,092.45	-	369,883,448.19
Depreciation for the year	-	3,922,928.06	97,809.17	372,884.24	9,298,758.42	201,432.41	292,611.59	-	-	14,186,423.89
Depreciation - disposals	-	-	-	-	(20,452,330.04)	(11,999.00)	(237,661.51)	-	-	(20,701,990.55)
As at December 31, 2018	412,608.40	135,588,201.98	3,383,654.55	2,595,799.90	208,858,832.64	4,742,571.04	6,783,120.57	1,003,092.45	-	363,367,881.53
<u>Net Book Value</u>										
As at January 1, 2018	30,178,782.00	13,964,095.24	315,154.62	1,636,964.77	83,892,343.31	433,233.40	574,328.65	4.00	-	130,994,905.99
As at December 31, 2018	30,178,782.00	10,248,039.18	217,345.45	1,264,080.53	74,896,071.31	403,750.47	478,587.89	4.00	1,333,526.56	119,020,187.39

Depreciation for the year end December 31, consist of.-

	Unit : Baht	
	2018	2017
Cost of sales	13,608,593.05	14,684,693.67
Administrative expenses	577,830.84	609,525.75
Total	14,186,423.89	15,294,219.42

13. INTANGIBLE ASSETS - NET

Intangible assets - net are as consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Program Software</u>				
Intangible assets beginning - net	10,489,486.61	13,034,930.93	3,765,238.37	4,715,933.32
<u>Add</u> Acquisition during the year	-	548,000.00	-	240,000.00
<u>Less</u> Amortization for the year	(3,263,997.23)	(3,093,444.32)	(1,208,151.98)	(1,190,694.95)
Intangible assets ending - net	<u>7,225,489.38</u>	<u>10,489,486.61</u>	<u>2,557,086.39</u>	<u>3,765,238.37</u>

14. DEFERRED TAX

Deferred tax assets and liability are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Deferred tax assets	8,340,924.45	8,590,440.86	4,346,369.78	4,108,824.91
Deferred tax liability	(3,536,411.69)	(2,888,218.27)	(1,283,933.95)	(1,761,979.38)
Net	<u>4,804,512.76</u>	<u>5,702,222.59</u>	<u>3,062,435.83</u>	<u>2,346,845.53</u>

14.1 Movements in deferred tax assets and liability during the years were as follows.-

	Unit : Baht			
	Consolidated			
	(Changed) Credit for the year to			
	As at	Other		As at
Jan 1, 2018	Profit or loss	comprehensive income	Dec 31, 2018	
<u>Deferred tax assets</u>				
Trade accounts and other				
current receivable	986,211.62	-	-	986,211.62
Inventories	463,884.69	(165,041.48)	-	298,843.21
Provisions for employee benefit	6,504,962.56	435,924.07	(520,399.00)	6,420,487.60
Investment property	635,381.99	-	-	635,381.99
Total	<u>8,590,440.86</u>	<u>270,882.59</u>	<u>(520,399.00)</u>	<u>8,340,924.45</u>
<u>Deferred tax liability</u>				
Property, plant and equipment	(2,888,218.27)	(648,193.42)	-	(3,536,411.69)
Net	<u>5,702,222.59</u>	<u>(377,310.83)</u>	<u>(520,399.00)</u>	<u>4,804,512.76</u>

14. DEFERRED TAX (Con't)

14.1 Movements in deferred tax assets and liability during the years were as follows.- (Con't)

	Unit : Baht			
	Consolidated			
	As at Jan 1, 2017	(Changed) Credit for the year to		As at Dec 31, 2017
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other				
current receivable	986,211.62	-	-	986,211.62
Inventories	944,600.66	(480,715.97)	-	463,884.69
Provisions for employee benefit	6,598,351.11	(954,851.83)	861,463.28	6,504,962.56
Investment property	635,381.99	-	-	635,381.99
Total	9,164,545.38	(1,435,567.80)	861,463.28	8,590,440.86
<u>Deferred tax liability</u>				
Property, plant and equipment	(2,567,982.73)	(320,235.54)	-	(2,888,218.27)
Net	6,596,562.65	(1,755,803.34)	861,463.28	5,702,222.59

	Unit : Baht			
	Separate			
	As at Jan 1, 2018	(Changed) Credit for the year to		As at Dec 31, 2018
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other				
current receivable	664,382.37	-	-	664,382.37
Provisions for employee benefit	3,444,442.54	411,300.27	(173,755.40)	3,681,987.41
Total	4,108,824.91	411,300.27	(173,755.40)	4,346,369.78
<u>Deferred tax liability</u>				
Property, plant and equipment	(1,761,979.38)	478,045.43	-	(1,283,933.95)
Net	2,346,845.53	889,345.70	(173,755.40)	3,062,435.83

14. DEFERRED TAX (Con't)

14.1 Movements in deferred tax assets and liability during the years were as follows.- (Con't)

	Unit : Baht			
	Separate			
	As at Jan 1, 2017	(Changed) Credit for the year to		As at Dec 31, 2017
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other				
current receivable	664,382.37	-	-	664,382.37
Provisions for employee benefit	3,353,827.61	(64,298.87)	154,913.80	3,444,442.54
Total	4,018,209.98	(64,298.87)	154,913.80	4,108,824.91
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(2,567,982.73)	806,003.35	-	(1,761,979.38)
Net	1,450,227.25	741,704.48	154,913.80	2,346,845.53

14.2 Income tax expenses for the year are as follows.-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Current income tax				
Corporate income tax charge for the year	(2,753,205.11)	(3,365,058.38)	(2,753,205.11)	(3,365,058.38)
Deferred tax				
Deferred tax (expense) income				
relating to the original and reversal				
of temporary differences	(377,310.83)	(894,340.06)	889,345.70	896,618.28
Income tax (expenses) income	(3,130,515.94)	(4,259,398.44)	(1,863,859.41)	(2,468,440.10)

14. DEFERRED TAX (Con't)

14.2 Income tax expenses for the years are as follows.- (Con't)

	Unit : Baht		
	Consolidated		
	For the year end December 31, 2018		
	Tax (expense)		
	Before tax	income	Net tax
Deferred tax for:			
Employee benefits			
Actuarial gains (loss) recognized	2,601,995.00	(520,399.00)	2,081,596.00
Income tax recognized in other comprehensive income	2,601,995.00	(520,399.00)	2,081,596.00

	Unit : Baht		
	Consolidated		
	For the year end December 31, 2017		
	Tax (expense)		
	Before tax	income	Net tax
Deferred tax for:			
Employee benefits			
Actuarial gains (loss) recognized	(1,671,641.28)	861,463.28	(810,178.00)
Income tax recognized in other comprehensive income	(1,671,641.28)	861,463.28	(810,178.00)

	Unit : Baht		
	Separate		
	For the year end December 31, 2018		
	Tax (expense)		
	Before tax	income	Net tax
Deferred tax for:			
Employee benefits			
Actuarial gains (loss) recognized	868,777.00	(173,755.40)	695,021.60
Income tax recognized in other comprehensive income	868,777.00	(173,755.40)	695,021.60

14. DEFERRED TAX (Con't)

14.2 Income tax expenses for the years are as follows.- (Con't)

	Unit : Baht		
	Separate		
	For the year end December 31, 2017		
	Tax (expense)		
	Before tax	income	Net tax
Deferred tax for:			
Employee benefits			
Actuarial gains (loss) recognized	(1,016,101.80)	154,913.80	(861,188.00)
Income tax recognized in other comprehensive income	(1,016,101.80)	154,913.80	(861,188.00)

14.3 Reconciliation for effective tax rate

	Consolidated			
	For the year end December 31,			
	2018		2017	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Net profit (loss) before income tax		4,440,956.13		(13,279,427.12)
Profit before income tax of the Company		16,092,842.15		19,266,167.90
<u>Less</u> Profit (loss) from Promotional privileges		(7,386,805.34)		(6,894,780.28)
Profit before income tax - net		8,706,036.81		12,371,387.62
Tax expense	20.00%	1,741,207.36	20.00%	2,474,277.52
Tax effect of expenses that are not deductible for tax purposes		1,389,308.58		1,785,120.92
Tax expense (effective rate)	35.96%	3,130,515.94	34.43%	4,259,398.44

	Separate			
	For the year end December 31,			
	2018		2017	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Profit before income tax		16,092,842.15		19,266,167.90
<u>Less</u> Profit (loss) from Promotional privileges		(7,386,805.34)		(6,894,780.28)
Profit before income tax - net		8,706,036.81		12,371,387.62
Tax expense	20.00%	1,741,207.36	20.00%	2,474,277.52
Tax effect of expenses that are not deductible for tax purposes		122,652.05		(5,837.42)
Tax expense (effective rate)	21.41%	1,863,859.41	19.95%	2,468,440.10

14. DEFERRED TAX (Con't)

14.3 Reconciliation for effective tax rate (Con't)

As at December 31, 2018 and 2017 its subsidiary has deductible temporary differences, unused tax losses totaling Baht 226.12 million and Baht 208.54 million respectively. However, its subsidiary did not recognize deferred tax assets as its subsidiary believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized.

14.4 Tax rate

Current income tax

The Company and its subsidiary calculated tax from the net profit after adjustment for non-taxable expenses and reserves in accordance with the Revenue Code.

The main adjustment items are allowance for doubtful accounts, allowance for obsolete goods, provision for employee benefits and expenses were not in compliance with the Revenue Code.

Deferred tax

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

15. BANK OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and loans from financial institutions consist of.-

	Unit : Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	2018	2017	2018	2017	2018	2017
Promissory notes	2.20 - 2.45	2.20	276,500,000.00	256,460,000.00	93,000,000.00	88,000,000.00
Trust receipts	3.23	1.62 - 2.30	1,074,258.45	9,680,702.53	1,074,258.45	7,531,905.99
Total			277,574,258.45	266,140,702.53	94,074,258.45	95,531,905.99

The Company and its subsidiary was granted loans from a commercial bank by issuing due on demand promissory notes.

The above credit facilities were secured by the mortgage of land, building and some machinery of the Company and its subsidiary and guaranteed by Oji Holdings Corporation Company Limited, the ultimate parent company.

16. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE

Trade accounts and other current payable consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Trade accounts payable and note payable</u>				
Note payable	60,928.00	49,550.75	-	-
Trade accounts payable - Related companies	72,606,360.23	40,409,819.77	37,250,236.87	24,638,508.72
- Other companies	54,850,020.58	64,777,336.51	19,109,615.50	32,952,573.01
Total trade accounts payable and note payable	127,517,308.81	105,236,707.03	56,359,852.37	57,591,081.73
<u>Other current payable</u>				
Other payable	5,384,046.81	4,807,033.54	3,034,433.29	2,759,764.99
Accrued expenses	9,117,873.56	8,993,748.11	2,943,051.46	3,184,404.18
Asset payable	-	3,775,161.39	-	1,510,506.39
Advance income	1,126,642.89	626,440.12	230,418.38	226,870.41
Total other current payable	15,628,563.26	18,202,383.16	6,207,903.13	7,681,545.97
Total trade accounts and others current payable	143,145,872.07	123,439,090.19	62,567,755.50	65,272,627.70

17. LONG - TERM LOAN FROM FINANCIAL INSTITUTIONS - NET

Long - term loan from financial institutions - net consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance for the year	383,899,900.00	430,000,000.00	-	-
<u>Less</u> Paid during the year	(61,466,800.00)	(46,100,100.00)	-	-
Total	322,433,100.00	383,899,900.00	-	-
<u>Less</u> Current portion	(61,466,800.00)	(61,466,800.00)	-	-
Net	260,966,300.00	322,433,100.00	-	-

The subsidiary has entered into a long - term loan agreement with a financial institution with the conditions as follows.-

Facility line (Million Baht)	Objective	Interest rate (%)	Term of repayment	Final payment	Collaterals
430	For payment short - term loans	4.77	Quarterly principal installment of Bath 15,366,700 with the first principal repayment on June 30, 2017 and quarterly interest installment with the first payment in June 2014	Within March 29, 2024	The ultimate parent company

18. PROVISION FOR EMPLOYEE BENEFIT - NET

The company and its subsidiary operates post-employment benefit and pension based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

Movement of the postemployment provision for employee benefits consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Opening balance as at January 1,	33,167,378.00	29,745,448.00	17,525,159.00	15,686,794.00
Current service cost	3,027,611.00	2,766,504.00	1,615,225.00	1,536,821.00
Interest cost	784,428.00	853,544.00	438,008.00	448,652.00
Employment benefit paid	(2,274,984.00)	(1,008,296.00)	(299,678.00)	(1,008,296.00)
Actuarial (gains) loss recognized	(2,601,995.00)	810,178.00	(868,777.00)	861,188.00
Ending balance as at December 31,	32,102,438.00	33,167,378.00	18,409,937.00	17,525,159.00
<u>Less</u> Current portion	-	(501,464.00)	-	(501,464.00)
Provisions for employee benefits - net	<u>32,102,438.00</u>	<u>32,665,914.00</u>	<u>18,409,937.00</u>	<u>17,023,695.00</u>

The expense is recognized in the following line items in the profit or loss.-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Profit or loss :</u>				
Cost of goods sold	2,802,309.00	2,926,254.00	1,483,091.00	1,729,907.00
Distribution costs	199,520.00	254,204.00	71,274.00	102,987.00
Administrative expense	810,210.00	439,590.00	498,868.00	152,579.00
Total	<u>3,812,039.00</u>	<u>3,620,048.00</u>	<u>2,053,233.00</u>	<u>1,985,473.00</u>
<u>Other comprehensive income</u>				
Actuarial (gains) loss recognized	<u>(2,081,596.00)</u>	<u>810,178.00</u>	<u>(695,021.60)</u>	<u>861,188.00</u>

18. PROVISION FOR EMPLOYEE BENEFIT - NET (Con't)

Actuarial gains and losses recognized in other comprehensive income arising from:

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Financial assumptions	(433,685.00)	1,659,584.00	(213,606.00)	827,958.00
Experience adjustment	(2,110,981.00)	(2,103,499.00)	(653,316.00)	(707,523.00)
Demographic assumptions	(57,329.00)	1,254,093.00	(1,855.00)	740,753.00
Total	(2,601,995.00)	810,178.00	(868,777.00)	861,188.00

Principal actuarial assumptions at the reporting date consist of.-

	Consolidated		Separate	
	2018	2017	2018	2017
Discounted rate * (%)	2.62 - 2.63	2.47 - 2.52	2.63	2.52
Salary increase rate (%)	2.50 - 3.50	2.50 - 3.50	3.50	3.50
Retirement age (year)	60	60	60	60
Employee turnover rate ** (%)	0 - 22	0 - 21	0 - 22	0 - 21
Mortality rate ***	TMO2017	TMO2017	TMO2017	TMO2017

* Market yield from government's bond for legal severance payments plan

** Upon the length of service

** Reference from TMO2017 (TMO2017 : Thai Mortality Ordinary Table of 2017)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the provision for employee benefits obligations by the amounts shown below.-

Effect on the provision for employee benefits obligations as at December 31, 2018 and 2017 are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Discount rate				
1% increase	(3,128,387.00)	(3,280,933.00)	(1,789,873.00)	(1,790,804.00)
1% decrease	3,641,201.00	3,831,561.00	2,079,222.00	2,088,889.00
Salary increase rate				
1% increase	3,421,368.00	3,746,753.00	2,039,151.00	2,046,177.00
1% decrease	(3,006,076.00)	(3,273,283.00)	(1,791,981.00)	(1,791,138.00)
Employee turnover rate				
1% increase	(3,282,946.00)	(3,439,610.00)	(1,877,883.00)	(1,877,571.00)
1% decrease	1,133,520.00	1,215,606.00	628,526.00	653,312.00

18. PROVISION FOR EMPLOYEE BENEFIT - NET (Con't)

Sensitivity analysis (Con't)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The work of the newly issued law in 2019

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary has additional liabilities provision for employee benefits obligations as at December 31, 2018 of Baht 10.27 million for the consolidated financial statements and Baht 5.88 million for the separate financial statements.

The Company and its subsidiary will reflect the effect of the change by recognizing past services costs as expenses in profit and loss of the year in which the law is effective.

19. LEGAL RESERVE

19.1 COMPANY

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

At present, the legal reserve has fully been set aside.

19.2 SUBSIDIARY

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a legal reserve equal to at least 5% of its income each time the company pays out a dividend, until such reserve reaches 10% of its authorize share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

20. DIVIDENED PAID

COMPANY

- 20.1 At the Annual General Shareholders' Meeting for the year 2018 held on April 27, 2018, it was resolved to pay dividend from the operating of the year 2017 to its shareholders at Baht 0.028 per share amounting to Baht 8.40 million. The Company had paid dividend to its shareholders on May 25, 2018.
- 20.2 At the Annual General Shareholders' Meeting for the year 2017 held on April 27, 2017, it was resolved to pay dividend from the operating of the year 2016 to its shareholders at Baht 0.019 per share amounting to Baht 5.70 million. The Company had paid dividend to its shareholders on May 25, 2017.

21. EXPENSES BY NATURE

Significant expenses classified by nature consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Changes in inventories of finished goods and work in process	(621,481.69)	786,014.30	1,525,114.65	(1,398,952.55)
Raw materials and consumables used	735,520,663.40	668,848,451.17	363,955,906.56	346,895,976.78
Employee expenses	168,461,241.12	160,559,118.30	77,054,070.73	76,617,061.97
Depreciation and amortization	59,435,104.35	60,537,793.15	15,394,575.87	16,484,914.37
Finance cost	24,380,800.19	26,449,935.39	2,066,882.14	2,427,405.66

22. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION

The Company has been granted promotional privileges under the Investment Promotion Act, B.E. 2520 as approved by the Board of Investment for the production of paper packaging No. 2186(2)/2011 dated September 29, 2011. The Company exercised its right in 2014.

Significant rights and privileges granted include the following.-

1. Exemption of import duty and business tax for machinery that are approved by the Board of Investment.
2. Exemption of corporate income tax derived from the profit of the promoted activities for a period of 8 years effective from the first sale generated.
3. Exemption of import duty for raw materials and necessary supplies used in production process of exported goods for the period stated in the certificate.
4. Permission of deduction of investment in installation or construction of facilities at 25% in addition to its usual depreciation.

22. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION (Con't)

Results of the Company's operations under promoted business are classified under promoted and non - promoted business as follows:

	Unit : Thousands baht		
	Consolidated		
	For the year end December 31, 2018		
	Promoted business	Non - promoted business	Total
Total revenues	132,662	981,545	1,114,207
Cost and expenses	(125,871)	(959,515)	(1,085,386)
Finance cost	518	(23,863)	(24,381)
Income tax	-	(3,130)	(3,130)
Net profit (loss)	6,273	(4,963)	1,310
Other comprehensive income	-	2,082	2,082
Comprehensive income (loss)	6,273	(2,881)	3,392

	Unit : Thousands baht		
	Separate		
	For the year end December 31, 2018		
	Promoted business	Non - promoted business	Total
Total revenues	132,662	397,875	530,537
Cost and expenses	(125,871)	(386,506)	(512,377)
Finance cost	(518)	(1,549)	(2,067)
Income tax	-	(1,864)	(1,864)
Net profit (loss)	6,273	7,956	14,229
Other comprehensive income	-	695	695
Comprehensive income (loss)	6,273	8,651	14,924

The classification of results of the Company's operations was applied with 2 bases as following.-

1. Costs and expenses identifiable to each category were directly charged to each of them.
2. Costs and expenses unidentifiable to each category were allocated to each of them based on the proportion of their revenues.

23. BASIC EARNINGS (LOSS) PER SHARE

Basis earnings (loss) per share for the year are calculated by dividing the net income (loss) attributable to common shareholders (excluding other comprehensive income (loss)) by the weighted - average number of common shares which are held by third parties during the year as follows.-

	For the year end December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Net profit (loss) attributable to ordinary shareholders of the Company (basis) (Unit : Baht)	1,310,440.19	(17,538,825.56)	14,228,982.74	16,797,727.80
Number of weighted average common shares (Unit : Share)	300,000,000	300,000,000	300,000,000	300,000,000
Basic earnings (loss) per share (Unit : Baht/Unit)	0.004	(0.058)	0.047	0.056

24. PROVIDENT FUND

The Company the subsidiary company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiary company and their employees contributed to the fund monthly at the rate of 3 - 5 percent of their basic salary. The fund, managed by Krung Thai Asset Management Plc., will be paid to employees upon termination in accordance with the fund rules. For the years ended December 31, 2018 and 2017, the Company and its subsidiary contributed to the fund amounting to Baht 3.46 million and Baht 3.38 million respectively.

25. OPERAING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

Management considers that the Company and its subsidiary operates in a single line production of packaging and has therefore only one business segment.

Management considers that the Company and its subsidiary operates in a single geographic area, namely in Thailand, and has therefore only one geographic segment.

As a result, all of the revenues, operating profits and assets reflected in these financial statements are related to the referred business and geographical segment.

26. FINANCIAL INSTRUMENT

The Company and its subsidiary complied with the Thai Accounting Standard No. 107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows:-

26.1 Accounting policies

The related accounting policies are disclosed in Note 4.19 to financial statements.

26.2 Financial risk management

The Company and its subsidiary are exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and subsidiary did not speculate or engage in the trading of any derivative financial instrument.

26.3 Credit risk

The Company and its subsidiary are exposed to credit risk from non performance of contractual obligations by counter parties resulting in a financial loss to the Company and its subsidiary. To prevent the risk, the Company and its subsidiary have credits control and regularly review debtors' financial status. The Company and its subsidiary do not expect significant losses from non performance contractual obligation as their customers are diverse.

For the financial assets, the carrying amount of assets recorded in the statements of financial position, net of an allowance for doubtful accounts, represents the Company and its subsidiary's maximum exposure to credit risk.

26.4 Interest rate risk

The Company and its subsidiary exposure to interest rate risk relates primarily to its deposits with financial institutions, loans to employees, bank overdrafts and short-terms loan and long-term charged with interest. However, since interest rates of the majority of these financial assets and liabilities vary according to market rates or are fixed and closed market rates, the Company and its subsidiary's management deemed their interest risk at low level. The Company and its subsidiary thus do not use derivative financial instruments to hedge such risk.

26. FINANCIAL INSTRUMENT (Con't)

26.4 Interest rate risk (Con't)

Financial assets and financial liabilities of the Company and its subsidiary had interest rate risk as follows.-

	Unit : Thousand baht						
	Consolidated as at December 31, 2018						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within 1 year	Over 1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	20,785	7,953	28,738	0.125 - 0.75
Trade accounts and other current receivable - net	-	-	-	-	203,275	203,275	-
Long - term loans to employees	-	-	-	1,581	-	1,581	MLR+1.5
Financial liabilities							
Bank overdraft and loans from financial institutions	-	-	-	277,574	-	277,574	1.00 - 3.23
Trade accounts and other current payable	-	-	-	-	143,146	143,146	-
Long - term loans from financial institutions	-	-	322,433	-	-	322,433	Fixed 4.77

	Unit : Thousand baht						
	Consolidated as at December 31, 2017						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within 1 year	Over 1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	15,126	30,158	45,284	0.125 - 0.75
Trade accounts and other current receivable - net	-	-	-	-	160,560	160,560	-
Long - term loans to employees	-	-	-	3,865	-	3,865	MLR+1.5
Financial liabilities							
Bank overdraft and loans from financial institutions	-	-	-	266,141	-	266,141	1.62 - 2.30
Trade accounts and other current payable	-	-	-	-	123,439	123,439	-
Long - term loans from financial institutions	-	-	383,900	-	-	383,900	Fixed 4.77

26. FINANCIAL INSTRUMENT (Con't)

26.4 Interest rate risk (Con't)

Unit : Thousand baht

Separate as at December 31, 2018

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within	Over	Over				
	1 year	1 - 5 years	5 years				
Financial assets							
Cash and cash equivalents	-	-	-	20,276	2,836	23,112	0.125 - 0.75
Trade accounts and other current receivable - net	-	-	-	-	112,238	112,238	-
Long - term loans to employees	-	-	-	692	-	692	MLR+1.5
Financial liabilities							
Bank overdraft and loans from financial institutions	-	-	-	94,074	-	94,074	1 - 3.23
Trade accounts and other current payable	-	-	-	-	62,568	62,568	-

Unit : Thousand baht

Separate as at December 31, 2017

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within	Over	Over				
	1 year	1 - 5 years	5 years				
Financial assets							
Cash and cash equivalents	-	-	-	14,820	11,279	26,099	0.125 - 0.50
Trade accounts and other current receivable - net	-	-	-	-	84,406	84,406	-
Long - term loans to employees	-	-	-	1,860	-	1,860	MLR+1.5
Financial liabilities							
Bank overdraft and loans from financial institutions	-	-	-	95,532	-	95,532	1.75 - 1.87
Trade accounts and other current payable	-	-	-	-	65,273	65,273	-

26. FINANCIAL INSTRUMENT (Con't)

26.5 Currency risk

The Company and subsidiary had significant foreign assets and liabilities which were not hedge foreign exchange risk. However, the Company and its subsidiary' management believe that they will not against have any significant impact on the Company and its subsidiary' financial statements.

The Company and its subsidiary had not significant assets and liabilities which were not hedged foreign exchange risk as follows.-

Foreign currency	Consolidated		Separate	
	2018	2017	2018	2017
Assets				
US Dollars	601,740	-	601,740	-
YEN	14,700,000	-	14,700,000	-
Liabilities				
US Dollars	2,278,095	1,536,053	1,205,776	981,487
YEN	2,021,762	1,277,669	1,881,762	1,277,669

26.6 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the incurrence of a financial loss. The Company has a policy to maintain liquidity risk which may occur. The Company and its subsidiary has sufficient credit lines to fund its operations that are provided by many commercial banks. This mitigates the risk.

26.7 Fair value of financial instruments

A number of the Company and its subsidiary's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Since the majority of the Company and its subsidiary financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

27. COMMITMENTS AND CONTINGENT LIABILITIES

Commitment

27.1 The Company and its subsidiary had commitment under purchase agreement of spare parts and machinery are as follows.-

	Currency	2018	2017
Parent Company	USD	66,860	-
	JPY	38,900,000	-
Subsidiary	USD	-	31,500

27.2 Operating lease commitments

The Company and its subsidiary has entered into several lease agreement in respect of the lease of vehicle and photocopies. The term of the agreement are generally between 3 - 4 years commencing from the agreement date. The Company and its subsidiary future commitment in respect of rental fees are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Less than 1 year	2,251,887.10	2,246,673.83	1,139,280.00	1,052,880.00
More than 1 year but less than 5 years	1,484,785.67	2,439,271.33	621,340.00	1,509,128.00

27.3 As at December 31, 2018 and 2017, the Company had a future obligation in contract amounting to Baht 0.35 million.

Contingent liabilities

27.4 The Company and its subsidiary had outstanding commitments with banks are as follows.-

	2018		2017	
	Baht	USD	Baht	USD
<u>Letters of credit</u>				
Parent Company	-	73,935.84	-	21,262.85
Subsidiary	-	66,000.00	-	41,893.20
<u>Letters of guarantee</u>				
Parent Company	6,728,400.00	-	6,728,400.00	-
Subsidiary	7,129,000.00	-	7,186,024.00	-

27.5 As at December 31, 2018 and 2017, the Company was in possession of commitments in respect of guaranteeing credit facilities of a subsidiary amounting to Baht 218 million.

28. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiary' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2018 and 2017, debt-to-equity ratio in the consolidated financial statements was 1.82 : 1 and 1.86 : 1 respectively, and the separate financial statements was 0.30 : 1 and 0.31 : 1 respectively.

29. RECLASSIFICATION

The Company and its subsidiary has reclassified certain accounts in the statements of comprehensive income for the year ended December 31, 2017 to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows. -

	Unit : Baht		
	Consolidated		
	Reclassified	Increase (Decrease)	Previously reported
Distribution costs	38,534,349.71	2,196,844.95	36,337,504.76
Administrative expenses	56,697,918.35	(2,196,844.95)	58,894,763.30

	Unit : Baht		
	Separate		
	Reclassified	Increase (Decrease)	Previously reported
Distribution costs	14,541,453.00	2,196,844.95	12,344,608.05
Administrative expenses	27,088,401.60	(2,196,844.95)	29,285,246.55

30. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on February 27, 2019.