

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**INDEPENDENT AUDITOR'S REPORT**

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

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, 2015, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

**Opinion**

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, 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



( Wanpen Unruan )

Certified Public Accountant (Thailand) No.7750

OFFICE OF PITISEVI CO., LTD.

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

February 29, 2016

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2015**

		Unit : Baht				
		Consolidated		Separate		
Note		2015	2014	2015	2014	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	7	31,401,784.33	29,008,965.96	29,817,364.93	14,887,252.84
	Trade accounts and other receivable - net	6, 8	159,185,803.72	190,218,894.54	85,478,925.46	100,102,254.90
	Inventories - net	9	111,426,519.36	135,843,731.87	59,930,883.83	65,325,106.08
	Current portion of long - term loans to employees	11	4,002,681.24	3,126,245.04	1,835,204.98	1,395,179.77
	Other current assets		937,837.86	374,261.06	631,214.93	210,196.62
	<b>Total current assets</b>		<b>306,954,626.51</b>	<b>358,572,098.47</b>	<b>177,693,594.13</b>	<b>181,919,990.21</b>
<b>NON - CURRENT ASSETS</b>						
	Deposit at bank held as collateral		25,170.82	2,617,455.86	-	-
	Investment in subsidiary	10	-	-	500,100,399.40	500,100,399.40
	Long - term loans to employees	11	2,790,948.09	2,641,508.97	1,409,158.77	1,160,191.57
	Property, plant and equipment - net	12	914,975,361.32	981,883,520.71	153,811,415.42	170,392,566.67
	Intangible assets	13	14,371,647.00	-	4,857,900.00	-
	Investment property - net	14	14,298,750.00	14,298,750.00	-	-
	Deferred tax assets	15	6,337,613.77	6,425,577.01	399,924.80	71,482.50
	Other non - current assets		551,363.02	16,000.00	546,363.02	11,000.00
	<b>Total non - current assets</b>		<b>953,350,854.02</b>	<b>1,007,882,812.55</b>	<b>661,125,161.41</b>	<b>671,735,640.14</b>
	<b>TOTAL ASSETS</b>		<b>1,260,305,480.53</b>	<b>1,366,454,911.02</b>	<b>838,818,755.54</b>	<b>853,655,630.35</b>

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION (Con't)**

**AS AT DECEMBER 31, 2015**

		Unit : Baht				
		Consolidated		Separate		
Note		2015	2014	2015	2014	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>						
<b>CURRENT LIABILITIES</b>						
	Bank overdraft and loans from - financial institutions	16	202,603,716.56	264,543,050.67	134,783,870.87	159,681,272.53
	Trade accounts and other payable	6, 17	64,951,757.34	73,338,176.59	27,792,158.54	31,396,880.20
	Asset payable		3,763,467.00	1,052,024.00	2,930,409.00	231,120.00
	Current portion of employee benefit obligation	19	164,606.00	-	-	-
	Accrued income tax		973,658.04	1,153,915.30	973,658.04	1,153,915.30
	Accrued dividend		20,532,600.42	20,525,098.51	20,532,600.42	20,525,098.51
	Other current liabilities		832,745.39	718,470.29	469,004.09	214,363.08
	<b>Total current liabilities</b>		<b>293,822,550.75</b>	<b>361,330,735.36</b>	<b>187,481,700.96</b>	<b>213,202,649.62</b>
<b>NON - CURRENT LIABILITIES</b>						
	Long - term loans from financial institutions	18	430,000,000.00	430,000,000.00	-	-
	Employee benefit obligation	19	29,831,657.40	24,217,323.42	13,704,028.00	10,786,196.66
	<b>Total non current liabilities</b>		<b>459,831,657.40</b>	<b>454,217,323.42</b>	<b>13,704,028.00</b>	<b>10,786,196.66</b>
	<b>TOTAL LIABILITIES</b>		<b>753,654,208.15</b>	<b>815,548,058.78</b>	<b>201,185,728.96</b>	<b>223,988,846.28</b>

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION (Con't)**

**AS AT DECEMBER 31, 2015**

		Unit : Baht			
		Consolidated		Separate	
Note		2015	2014	2015	2014
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>SHAREHOLDERS' EQUITY</b>					
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
Additional paid - in capital					
	Share premium	278,374,901.60	278,374,901.60	278,374,901.60	278,374,901.60
Retained earnings (deficit)					
Appropriated					
	Legal reserve	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
	Unappropriated	(101,723,629.22)	(57,468,049.36)	29,258,124.98	21,291,882.47
<b>Total shareholders' equity</b>		<b>506,651,272.38</b>	<b>550,906,852.24</b>	<b>637,633,026.58</b>	<b>629,666,784.07</b>
Non controlling interests in subsidiary		-	-	-	-
<b>Total shareholders' equity</b>		<b>506,651,272.38</b>	<b>550,906,852.24</b>	<b>637,633,026.58</b>	<b>629,666,784.07</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,260,305,480.53</b>	<b>1,366,454,911.02</b>	<b>838,818,755.54</b>	<b>853,655,630.35</b>

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

		Unit : Baht				
		Consolidated		Separate		
		2015	2014	2015	2014	
Note			(Reclassified)		(Reclassified)	
<b>REVENUES</b>						
	Sales income and proceeds from services	6	940,691,285.24	957,431,658.71	496,534,114.28	504,209,355.20
	Other incomes					
	Interest income		577,014.08	497,948.35	255,162.90	231,695.02
	Others		2,621,088.10	1,367,630.59	670,473.69	884,362.71
	<b>Total revenues</b>		<b>943,889,387.42</b>	<b>959,297,237.65</b>	<b>497,459,750.87</b>	<b>505,325,412.93</b>
<b>EXPENSES</b>						
	Cost of the sales and services	6	850,766,023.28	906,866,458.50	429,889,148.47	456,181,008.65
	Selling expenses		40,872,116.39	43,712,510.63	15,124,456.62	15,448,332.45
	Administrative expenses	6	60,031,973.56	55,925,021.05	30,129,678.70	18,868,585.32
	<b>Total expenses</b>		<b>951,670,113.23</b>	<b>1,006,503,990.18</b>	<b>475,143,283.79</b>	<b>490,497,926.42</b>
	<b>PROFIT (LOSS) BEFORE FINANCIAL COST AND INCOME TAX</b>		<b>(7,780,725.81)</b>	<b>(47,206,752.53)</b>	<b>22,316,467.08</b>	<b>14,827,486.51</b>
	Finance cost		(26,005,207.46)	(28,724,137.86)	(3,478,220.87)	(4,426,892.10)
	<b>PROFIT (LOSS) BEFORE INCOME TAX EXPENSES</b>		<b>(33,785,933.27)</b>	<b>(75,930,890.39)</b>	<b>18,838,246.21</b>	<b>10,400,594.41</b>
	Income tax (expenses) income	15.2	(2,294,691.91)	(14,300,549.47)	(2,042,038.90)	(1,361,477.05)
	<b>Net profit (loss) for the year</b>		<b>(36,080,625.18)</b>	<b>(90,231,439.86)</b>	<b>16,796,207.31</b>	<b>9,039,117.36</b>
	<b>Other comprehensive income (loss)</b>					
	Other comprehensive income to be reclassified					
	to profit or loss in subsequent periods :					
	Defined benefit plan remeasurement	4, 15.2	1,031,306.65	1,121,474.28	212,544.00	(997,899.35)
	Income (loss) tax relating to actuarial revaluation	4, 15.2	(206,261.33)	(224,294.86)	(42,508.80)	199,579.87
	Total		825,045.32	897,179.42	170,035.20	(798,319.48)
	<b>Comprehensive income (loss) for the year</b>	23	<b>(35,255,579.86)</b>	<b>(89,334,260.44)</b>	<b>16,966,242.51</b>	<b>8,240,797.88</b>
	<b>Net profit (loss) attributable to:</b>					
	Owners of the Company		(36,080,625.18)	(90,231,439.86)		
	Non - controlling interersts		-	-		
	<b>Net profit (loss) for the year</b>		<b>(36,080,625.18)</b>	<b>(90,231,439.86)</b>		
	<b>Comprehensive income (loss) attributable to :</b>					
	Owners of the Company		(35,255,579.86)	(89,334,260.44)		
	Non - controlling interersts		-	-		
	<b>Comprehensive income (loss) for the year</b>		<b>(35,255,579.86)</b>	<b>(89,334,260.44)</b>		
	<b>Earnings (loss) per share</b>	4, 22				
	Equity holders of the parent company		<u>(0.12)</u>	<u>(0.30)</u>	<u>0.06</u>	<u>0.03</u>

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

Unit : Baht

Consolidated financial statement

	Note	Issued and paid - up share capital	Share premium	Retained earnings (deficit)		Total
				Appropriated Legal reserve	Unappropriated	
As at January 1, 2014		300,000,000.00	278,374,901.60	30,000,000.00	32,766,211.08	641,141,112.68
Dividend payment	20	-	-	-	(900,000.00)	(900,000.00)
Comprehensive income (loss) for the year						
Loss for the year		-	-	-	(90,231,439.86)	(90,231,439.86)
Other comprehensive income (loss)	15.2	-	-	-	897,179.42	897,179.42
As at December 31, 2014		300,000,000.00	278,374,901.60	30,000,000.00	(57,468,049.36)	550,906,852.24
Dividend payment	20	-	-	-	(9,000,000.00)	(9,000,000.00)
Comprehensive income (loss) for the year						
Loss for the year		-	-	-	(36,080,625.18)	(36,080,625.18)
Other comprehensive income (loss)	15.2	-	-	-	825,045.32	825,045.32
As at December 31, 2015		300,000,000.00	278,374,901.60	30,000,000.00	(101,723,629.22)	506,651,272.38

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, 2015**

Unit : Baht						
Separate financial statement						
	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Appropriated Legal reserve	Unappropriated	
As at January 1, 2014		300,000,000.00	278,374,901.60	30,000,000.00	13,951,084.59	622,325,986.19
Dividend payment	20	-	-	-	(900,000.00)	(900,000.00)
Comprehensive income (loss) for the year						-
Profit for the year		-	-	-	9,039,117.36	9,039,117.36
Other comprehensive income (loss)	15.2	-	-	-	(798,319.48)	(798,319.48)
As at December 31, 2014		300,000,000.00	278,374,901.60	30,000,000.00	21,291,882.47	629,666,784.07
Dividend payment	20	-	-	-	(9,000,000.00)	(9,000,000.00)
Comprehensive income (loss) for the year						
Profit for the year		-	-	-	16,796,207.31	16,796,207.31
Other comprehensive income (loss)	15.2	-	-	-	170,035.20	170,035.20
As at December 31, 2015		300,000,000.00	278,374,901.60	30,000,000.00	29,258,124.98	637,633,026.58

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

		Unit : Baht			
		Consolidated		Separate	
		2015	2014	2015	2014
Note			(Reclassified)		(Reclassified)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
	Net profit (loss) before tax	(33,785,933.27)	(75,930,890.39)	18,838,246.21	10,400,594.41
	Reconciliations of net profit (loss) to net cash provided by (used in ) operating activities:				
	Depreciation expenses	12 66,891,872.40	73,021,707.39	18,273,241.30	19,664,984.30
	Doubtful accounts	8 3,006,185.14	-	1,397,038.89	-
	Allowances for doubtful accounts (reversal)	8 (1,344,587.29)	(273,308.14)	(1,344,587.29)	(273,308.14)
	Assets transferred to expenses	12 63,110.00	230,353.20	63,110.00	230,353.20
	Loss on obsolete stock	9 918,390.03	10,610,151.68	-	314,477.16
	Loss on obsolete stock (reversal)	9 (7,764,176.52)	(6,187,338.22)	(314,477.16)	-
	Provision for loss on impairment of assets (reversal)	12 (20,973.24)	-	-	-
	(Gain) loss from disposal of fixed assets	(125,185.09)	2,714,273.72	(117,104.33)	(3,478.75)
	Unrealized (gain) loss from exchange rate	75,401.48	195,354.00	73,375.98	100,984.91
	Employee retirement benefit	19 7,616,050.63	7,799,400.67	3,260,496.34	3,297,104.35
	Interest Income	(577,014.08)	(497,948.35)	(255,162.90)	(231,695.02)
	Interest expenses	26,005,207.46	28,724,137.86	3,478,220.87	4,426,892.10
	Gain from operating activities before changes in operating assets and liabilities	60,958,347.65	40,405,893.42	43,352,397.91	37,926,908.52
	Decrease (Increase) in operating assets:-				
	Trade accounts and other receivable	29,371,492.97	(10,758,656.52)	14,570,877.84	(5,542,742.15)
	Inventories	31,262,999.00	11,551,058.34	5,708,699.41	(3,349,065.25)
	Other current assets	(563,576.80)	(89,328.41)	(421,018.31)	(29,859.83)
	Other non - current assets	(535,363.02)	87,242.00	(535,363.02)	86,500.00
	Increase (Decrease) in operating liabilities:-				
	Trade accounts and other payable	(8,547,116.88)	24,709,974.47	(3,587,904.22)	(2,153,946.23)
	Other current liabilities	114,275.10	49,289.68	254,641.01	38,079.91
	Employee benefit obligations	19 (805,804.00)	-	(130,121.00)	-
	<b>Cash provided by (used in ) operating activities</b>	111,255,254.02	65,955,472.98	59,212,209.62	26,975,874.97
	Interest paid	(25,846,535.33)	(30,604,310.30)	(3,495,038.31)	(4,700,886.34)
	Income tax paid	(2,593,247.26)	(247,177.55)	(2,593,247.26)	(247,177.55)
	<b>Net cash provided by (used in ) operating activities</b>	82,815,471.43	35,103,985.13	53,123,924.05	22,027,811.08

**S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS (Con't)**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

		Unit : Baht			
		Consolidated		Separate	
		2015	2014	2015	2014
Note			(Reclassified)		(Reclassified)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
	(Increase) Decrease in deposit at bank held as collateral	2,592,285.04	(2,617,455.86)	-	-
	Loans to employees	11 (5,061,260.00)	(4,246,000.00)	(2,527,260.00)	(2,271,000.00)
	Receipt of loans to employees	11 4,035,384.68	3,518,322.69	1,838,267.59	1,554,745.01
	Interest income	577,014.08	497,948.35	255,162.90	231,695.02
	Payments of asset payable	(1,052,024.00)	(30,495.00)	(231,120.00)	-
	Purchase of fixed assets	12 (4,784,608.37)	(12,255,228.62)	(725,596.05)	(3,529,386.37)
	Purchase of intangible assets	13 (5,857,397.00)	-	(2,957,100.00)	-
	Disposal of fixed assets	133,160.69	130,166,509.40	117,109.33	18,359.87
	<b>Net cash provided by (used in ) investing activities</b>	<b>(9,417,444.88)</b>	<b>115,033,600.96</b>	<b>(4,230,536.23)</b>	<b>(3,995,586.47)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Increase (Decrease) in bank overdraft and loans from financial institutions	(62,012,710.09)	(558,692,526.00)	(24,970,777.64)	(7,170,682.71)
	Receipt of long - term loans from financial institutions	18 -	430,000,000.00	-	-
	Dividend paid	(8,992,498.09)	(902,115.37)	(8,992,498.09)	(902,115.37)
	<b>Net cash provided by (used in ) financing activities</b>	<b>(71,005,208.18)</b>	<b>(129,594,641.37)</b>	<b>(33,963,275.73)</b>	<b>(8,072,798.08)</b>
	Increase (Decrease) in cash and cash equivalents	2,392,818.37	20,542,944.72	14,930,112.09	9,959,426.53
	Cash and cash equivalents at beginning of the year	29,008,965.96	8,466,021.24	14,887,252.84	4,927,826.31
	Cash and cash equivalents at end of the year	<u>31,401,784.33</u>	<u>29,008,965.96</u>	<u>29,817,364.93</u>	<u>14,887,252.84</u>
<b>Supplemental disclosures of cash flows information</b>					
Non - cash transactions					
The Company and its subsidiary					
	purchased fixed assets on credit	12 3,763,467.00	1,052,024.00	2,930,409.00	231,120.00
	Transferring of equipment to intangible assets	13 8,514,250.00	-	1,900,800.00	-
	Unutilized credit facilities for future working capital				
	(unit : million baht)	970	885	560	539

## **S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

### **NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2015**

#### **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 Holding Corporation 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 OF FINANCIAL STATEMENTS**

##### **2.1 Basis of preparation of financial statements**

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 Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions under The Royal Patronage of His Majesty the King ("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 2014) 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, B.E. 2554 (2011)".

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 OF FINANCIAL STATEMENTS (Con't)**

### **2.2 Basis of preparation of consolidated financial statements**

Subsidiary undertaking are defined as those companies which the parent company in the Group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, including potential voting rights that are presently exercisable or presently convertible.

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.

The financial statements of this subsidiary 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. 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.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent significant accounting policies for the same accounting items or similar accounting events.

Material balances and transactions between the Company and its subsidiary, and investments in subsidiary by the Company has 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, have been prepared solely for the benefit of the public.

## **3. ADOPTION OF NEW ACCOUNTING STANDARDS**

### **3.1 Adoption of new accounting standards effective in the current year**

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

#### Thai Accounting Standards

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

#### 3.1 Adoption of new accounting standards effective in the current year (Con't)

TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Venture
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property

#### Thai Financial Reporting Standard

TFRS 2 (revised 2014)	Share - Based Payments
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

#### Interpretations

TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholder
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2014)	Disclosures - Service Concession Arrangements
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs

### 3. **ADOPTION OF NEW ACCOUNTING STANDARDS** (Con't)

#### 3.1 Adoption of new accounting standards effective in the current year (Con't)

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

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, and provision of interpretations and accounting guidance to users of accounting standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiary. However, some of these standards involve changes to key principles, as follows:

#### TAS 1 (Revise 2014)

This revised accounting standard, the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

This revised accounting standard impacts the presentation of the statement of comprehensive income. The Company and its subsidiary have presented and reclassified the comparative financial information in accordance with the revised accounting standard. The change does not impact to the operating result of the Company and its subsidiary.

#### TAS 16 (Revise 2014)

This revised accounting standard, the key change is in relation to spare parts, stand-by equipment and servicing equipment which shall be recognized in accordance with this standard when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. This revised Thai accounting standard has no impact to the Company and its subsidiary.

### **3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)**

#### **3.1 Adoption of new accounting standards effective in the current year (Con't)**

##### TAS 19 (Revise 2014)

This revised accounting standard, the key changes are (a) actuarial gains and losses are renamed "remeasurements" and will be recognized immediately in "other comprehensive income" (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognized in profit or loss; and (b) past-service costs will be recognized in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period.

The Company and its subsidiary has changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company and its subsidiary had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial information.

##### TAS 27 (Revise 2014)

This revised accounting standard, provide the requirements relating to separate financial statements. This revised Thai accounting standard has no impact to the Company and its subsidiary.

##### TFRS 10

This newly financial reporting standard has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the newly financial reporting standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This revised Thai Financial Reporting Standard has no impact to the Company and its subsidiary.

##### TFRS 13

This newly financial reporting standard provides a single source of fair value measurement for use across IFRSs and sets out the fair value disclosure requirement.

The Company and its subsidiary has included additional disclosures in Note 26.7 to the financial statements.



### 3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

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

In current year, the Federation of Accounting Professions has issued Notification regarding the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) Interpretations (TSIC and TFRIC) and Accounting Treatment Guidance which were announced and these have been published in the Royal Gazette and which will become effective for the financial statements for the fiscal years beginning on or after January 1, 2016. The Company and its subsidiary has not applied such standards before the effective period as follows:

Conceptual Framework for Financial Reporting (revised 2015)

#### Thai Accounting Standards

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Venture
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

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

##### Thai Financial Reporting Standard

TFRS 2 (revised 2015) Share - Based Payments

TFRS 3 (revised 2015) Business Combinations

TFRS 4 (revised 2015) Insurance Contracts

TFRS 5 (revised 2015) Non-current Assets Held for Sale and Discontinued Operations

TFRS 6 (revised 2015) Exploration for and Evaluation of Mineral Resources

TFRS 8 (revised 2015) Operating Segments

TFRS 10 (revised 2015) Consolidated Financial Statements

TFRS 11 (revised 2015) Joint Arrangements

TFRS 12 (revised 2015) Disclosure of Interests in Other Entities

TFRS 13 (revised 2015) Fair Value Measurement

##### Interpretations

TSIC 10 (revised 2015) Government Assistance - No Specific Relation to Operating Activities

TSIC 15 (revised 2015) Operating Leases - Incentives

TSIC 25 (revised 2015) Income Taxes - Changes in Tax Status of an Enterprise or its Shareholder

TSIC 27 (revised 2015) Evaluating the Substance of Transactions in the Legal Form of a Lease

TSIC 29 (revised 2015) Disclosures - Service Concession Arrangements

TSIC 31 (revised 2015) Revenue - Barter Transactions Involving Advertising Services

TSIC 32 (revised 2015) Intangible Assets - Web Site Costs

TFRIC 1 (revised 2015) Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 (revised 2015) Determining whether an Arrangement contains a Lease

TFRIC 5 (revised 2015) Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 (revised 2015) Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies

TFRIC 10 (revised 2015) Interim Financial Reporting and Impairment

TFRIC 12 (revised 2015) Service Concession Arrangements

TFRIC 13 (revised 2015) Customer Loyalty Programmes

TFRIC 14 (revised 2015) TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TFRIC 15 (revised 2015) Agreements for the Construction of Real Estate

TFRIC 17 (revised 2015) Distributions of Non-cash Assets to Owners

TFRIC 18 (revised 2015) Transfers of Assets from Customers

TFRIC 20 (revised 2015) Stripping Costs in the Production Phase of a Surface Mine

TFRIC 21 Levies

Accounting Treatment Guidance for Bearer Plant

### **3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)**

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

The above-mentioned the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. 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:

##### TAS 16 (Revise 2015)

This revised accounting standard, clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The management of the Company and its subsidiary are still evaluating the possible impact on the financial statements in the year in which TAS 16 interpretation will be applied.

##### TAS 19 (Revise 2015)

This revised accounting standard is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the year in which they arise and those linked to service in more than one year. This revised Thai accounting standard has no impact to the Company and its subsidiary.

##### TAS 24 (Revise 2015)

This revised accounting standard, includes as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity. Disclosure of the amounts charged to the reporting entity is required. The change in policy only impacts presentational aspects no impact on the Company and its subsidiary reported assets, liabilities, results or earnings per share.

##### TAS 36 (Revise 2015)

This revised accounting standard is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorized within level 2 and level 3, disclosures is required for valuation technique and key assumption. The change in policy only impacts presentational aspects no impact on the Company and its subsidiary reported assets, liabilities, results or earnings per share.

##### TAS 38 (Revise 2015)

This revised accounting standard amended to clarify how the gross carrying amount and the accumulated amortization are treated where an entity uses the revaluation model. This revised Thai accounting Standard has no impact to the Company and its subsidiary.

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

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

##### IFRS 8 (Revise 2015)

This revised financial reporting standard, requires disclosure of the judgments made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. The change in policy only impacts presentational aspects no impact on the Company and its subsidiary reported assets, liabilities, results or earnings per share.

##### IFRS 10 (Revise 2015)

This revised financial reporting standard is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The management of the Company and its subsidiary are still evaluating the possible impact on the financial statements in the year in which IFRS interpretation will be applied.

##### IFRS 13 (Revise 2015)

This revised financial reporting standard is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced). The management of the Company and its subsidiary are still evaluating the possible impact on the financial statements in the year in which IFRS interpretation will be applied.

### 4. EFFECT FROM FIRST TIME ADOPTION OF FINANCIAL REPORTING STANDARD

From January 1, 2015, the Company and its subsidiary have adopted revised accounting standard as disclosed in Condensed Note 3.1 to the financial statement. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of comprehensive income are summarized are as follows:

##### Adjustment of financial statements

	Unit : Baht
	For the year end December 31, 2014
	(Reclassified)
	Consolidated/ Separate
<b>Statement of income</b>	
Cost of the sales and services (decrease)	(648,634.58)
Selling and administrative expenses (decrease)	(349,264.77)
Income tax expense (decrease)	199,579.87
Net income for the year - increase	798,319.48
<b>Statement of comprehensive income</b>	
Defined benefit plan remeasurement	(798,319.48)
Basic earnings (loss) per share - increase	0.003

## 5. 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 each of the following accounting policies.

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

### 5.1 Recognition of revenues

The Company and its subsidiary recognize revenues when it is probable that the economic associated with the transaction will flow to 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.

### 5.2 Cash and cash equivalents

Cash and cash equivalent consist of cash on hand, bank deposits, and all highly liquid investments 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 banks 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.

### 5.3 Trade and other accounts receivable and allowance for doubtful accounts

Trade and other accounts receivable are stated at the net realisable 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.

### 5.4 Inventories and allowance for diminution in inventory

Finished goods and work in process are valued at the lower of average cost or net realizable value.

Raw materials, supplies and spare parts are valued at the lower of cost by FIFO method or net realizable value.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Allowance for diminution in inventory value is set up, where necessary, for obsolete, slow-moving and deteriorated inventories and for the cost higher than net realizable value.

## 5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

### 5.5 Investment

#### Investments in subsidiary

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

### 5.6 Investment property

Investment property is property 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.

### 5.7 Property, plant and equipment and depreciation

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. The cost of self constructed assets includes the 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 capitalised 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 derecognised 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 derecognised.

## 5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

The Company and its subsidiary depreciate their cost, after deducting residual value by the straight line method over the assets useful life at the following rates:-

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

No depreciation is provided for land and assets in progress.

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

### 5.8 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.

### 5.9 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	10	years
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### 5.10 Employee benefits

#### 5.10.1 Short - term employee benefits

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

## 5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

### 5.10.2 Defined contribution plan

Obligations for contribution to defined contribution pension plans are recognized as an expense in profit or loss as incurred.

### 5.10.3 Defined benefit plan

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

The liability of retirement benefits 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 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.

### 5.11 Provision

A provision is recognized in the statement of financial position when the Company and its subsidiary have 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.

### 5.12 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.

### 5.13 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.



## 5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

### The current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 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 counted 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.

#### 5.14 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.

#### 5.15 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 subsidiaries are related parties of the Company.

## 5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

They also include associate companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's 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.

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

### 5.16 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 assets is required, the Company and its subsidiary 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 recognised 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 exist, the Company and its subsidiary 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 amortisation, if no impairment loss had been recognised.

### 5.17 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.

### 5.18 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.

## **5. SIGNIFICANT ACCOUNTING POLICIES (Con't)**

### **5.19 Financial instruments**

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

### **5.20 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.

Significant accounting judgments and estimates are as follows:-

#### **5.20.1 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.

#### **5.20.2 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.

#### **5.20.3 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.

#### **5.20.4 Property plant and equipment and depreciation**

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

## **5. SIGNIFICANT ACCOUNTING POLICIES (Con't)**

### **5.20.5 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.

### **5.20.6 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.

### **5.20.7 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.

### **5.20.8 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.

### **5.20.9 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.

## 6. 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	2015	2014
Oji Holding Corporation Co., Ltd.	1	Produce and sell paper production	Japan	-	-
Sahakij Packagin Co., Ltd.	2	Printing house, produce and sell packaging production	Thailand	100	100
Box Asia Group International Co., Ltd.	3	Produce and sell packaging production	Thailand	-	-
GS Paper & Packaging Sdn Bhd	3	Produce and sell packaging production	Malaysia	-	-
Union and Oji Interpack Co., Ltd.	3	Produce and sell packaging production	Thailand	-	-
Ojitex Haiphong Co., Ltd.	3	Produce paper	Vietnam	-	-
Oji Industrial Materials Management Co., Ltd.	3	Administration	Japan	-	-
Oji Asia Packaging Sdn Bhd	3	Administration	Malaysia	-	-

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 0.2% per annum of the outstanding loan balance at each quarter (see Note 16 and 18 to the financial statements).
2. Subsidiary; The Company set raw material and machinery sales price at cost plus agreed margin rates of 10% to 15%.
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.

## 6. RELATED PARTY TRANSACTIONS (Con't)

The significant transactions with related companies are follows:-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2015	2014	2015	2014
<b><u>Parent company</u></b>				
Other expenses	1,339,657.48	1,641,476.94	302,076.98	333,755.12
<b><u>Subsidiary</u></b>				
Sales income and proceeds from services	-	-	21,729.02	47,765.74
Other income	-	-	250,080.69	333,139.30
Purchases	-	-	7,796,523.12	11,037,604.00
Other expenses	-	-	29,700.00	520.00
<b><u>Related companies</u></b>				
Sales income and proceeds from services	4,041,434.10	10,721,547.20	-	-
Purchases	15,227,017.66	18,220,959.87	13,084,657.01	16,622,634.51
Consulting fee	1,067,735.12	-	-	-
<b><u>Management's benefit expenses</u></b>				

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	
	2015	2014	2015	2014
Short - term benefits	25,534,062.83	18,511,092.44	17,203,827.44	8,987,519.50
Post - employment benefits	1,416,737.64	1,552,678.64	818,349.64	807,496.64
Total	26,950,800.47	20,063,771.08	18,022,177.08	9,795,016.14

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

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
<b><u>Trade accounts and other receivable</u></b>				
<b><u>Trade accounts receivable</u></b>				
Subsidiary	-	-	-	116,422.34
Related companies	25,680.00	3,356,577.17	-	-
Total	25,680.00	3,356,577.17	-	116,422.34

## 6. RELATED PARTY TRANSACTIONS (Con't)

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
<u>Advance payment</u>				
Subsidiary	-	-	107,609.00	-
Related companies	157,356.00	644,724.28	-	-
Total Trade accounts and other receivable	183,036.00	4,001,301.45	107,609.00	116,422.34
<b><u>Trade accounts and other payable</u></b>				
<u>Trade accounts payable</u>				
Subsidiary	-	-	708,545.66	824,039.75
Related companies	2,125,622.38	2,464,758.71	1,897,126.55	1,395,223.03
Total	2,125,622.38	2,464,758.71	2,605,672.21	2,219,262.78
<u>Advance payment</u>				
Parent company	1,076,091.71	-	1,076,091.71	-
<u>Other payable</u>				
Parent company	327,768.18	347,839.44	74,687.13	44,517.76
Total Trade accounts and other payable	3,529,482.27	2,812,598.15	3,756,451.05	2,263,780.54

### **OTHER MATTERS**

1. As at December 31, 2015 and 2014 the ultimate parent company has guaranteed the Company's and its subsidiary's liabilities for the amount of Baht 900 million.
2. As at December 31, 2015 and 2014 the Company has guaranteed its subsidiary's liabilities for the amount of Baht 222 million.
3. As at December 31, 2015 and 2014 the subsidiary has guaranteed the Company's liabilities for the amount of Baht 511.50 million and Baht 536 million respectively.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Cash in hand	130,000.00	130,000.00	80,000.00	80,000.00
Outstanding cheque - net	594,471.68	14,856.95	-	-
Deposits at banks - savings	22,685,169.75	11,270,576.24	22,473,002.86	8,087,980.38
- current	7,992,142.90	17,593,532.77	7,264,362.07	6,719,272.46
Total	31,401,784.33	29,008,965.96	29,817,364.93	14,887,252.84

## 8. TRADE ACCOUNTS AND OTHER RECEIVABLE - NET

Trade accounts and other receivable consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Note receivables	1,924,915.65	1,762,325.31	-	-
Trade accounts receivable				
- other companies	155,455,414.70	175,004,774.59	85,760,074.35	98,620,388.28
- related companies	25,680.00	3,356,577.17	-	116,422.34
Total	157,406,010.35	180,123,677.07	85,760,074.35	98,736,810.62
<u>Less</u> allowances for doubtful accounts	(4,983,509.72)	(3,321,911.87)	(3,374,363.47)	(3,321,911.87)
Trade accounts and note receivables - net	152,422,500.63	176,801,765.20	82,385,710.88	95,414,898.75
Prepaid expense	3,568,520.46	2,919,373.02	2,100,371.22	1,880,485.27
Receivable from the Revenue Department	136,999.15	6,901,575.30	136,999.15	1,376,825.39
Other receivable	2,107,186.87	1,737,167.35	549,479.21	670,648.15
Advance payment	950,596.61	1,859,013.67	306,365.00	759,397.34
Total	159,185,803.72	190,218,894.54	85,478,925.46	100,102,254.90

Trade account receivables aged by number of days are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Accounts receivables not yet due	138,430,489.64	146,978,407.04	70,654,961.44	69,926,694.38
Accounts receivables over due				
Under or equal to 3 months	11,975,280.84	15,565,065.08	11,637,490.44	14,371,480.08
Over 3 months to 6 months	31,381.00	2,614,305.05	31,381.00	2,360,180.05
Over 6 months to 12 months	61,878.00	9,829,211.12	61,878.00	8,704,092.64
Over 12 months	4,982,065.22	3,374,363.47	3,374,363.47	3,374,363.47
Total	155,481,094.70	178,361,351.76	85,760,074.35	98,736,810.62
<u>Less</u> allowances for doubtful accounts	(4,983,509.72)	(3,321,911.87)	(3,374,363.47)	(3,321,911.87)
Trade accounts receivable - net	150,497,584.98	175,039,439.89	82,385,710.88	95,414,898.75

Movements in allowance for doubtful accounts are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Beginning balance for the year	3,321,911.87	3,595,220.01	3,321,911.87	3,595,220.01
<u>Add</u> Increase during the year	3,006,185.14	-	1,397,038.89	-
Total	6,328,097.01	3,595,220.01	4,718,950.76	3,595,220.01
<u>Less</u> Reversal of doubtful accounts	(1,344,587.29)	(273,308.14)	(1,344,587.29)	(273,308.14)
Ending balance for the year	4,983,509.72	3,321,911.87	3,374,363.47	3,321,911.87



## 9. INVENTORIES - NET

Inventories are as follows :-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Finished goods	9,816,241.12	16,079,978.19	3,997,412.75	7,965,436.47
Work-in-process	15,030,746.28	20,018,910.10	2,816,302.22	1,845,981.16
Raw materials	76,155,427.54	96,009,255.20	38,866,631.38	41,076,993.22
Supplies and packing materials	4,150,690.11	4,802,969.04	2,680,279.47	3,317,053.64
Spare parts	5,952,672.64	5,228,996.89	5,434,706.18	4,856,212.43
Goods in transit	7,474,217.46	7,702,884.73	6,135,551.83	6,577,906.32
<u>Less</u> Allowance for obsolete goods	(7,153,475.79)	(13,999,262.28)	-	(314,477.16)
<b>Total</b>	<b>111,426,519.36</b>	<b>135,843,731.87</b>	<b>59,930,883.83</b>	<b>65,325,106.08</b>

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

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Beginning balance for the year	13,999,262.28	9,576,448.82	314,477.16	-
<u>Add</u> Increase during the year	918,390.03	10,610,151.68	-	314,477.16
<u>Less</u> Reversal during the year	(7,764,176.52)	(6,187,338.22)	(314,477.16)	-
Ending balance for the year	7,153,475.79	13,999,262.28	-	314,477.16

## 10. INVESTMENT IN SUBSIDIARY

Investment in subsidiary is as follows.-

Company	Unit : Baht							
	Paid - up		Investment		Investment		Dividend income	
	(Million Bath)		ownership (%)		Separate		For the year	
	2015	2014	2015	2014	Cost method		2015	2014
<b>Subsidiary</b>								
Sahakit Packaging								
Company Limited	600.00	600.00	100	100	500,100,399.40	500,100,399.40	-	-

**11. LONG - TERM LOANS TO EMPLOYEES - NET**

Long - term loans to employees are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Beginning balance for the year	5,767,754.01	5,040,076.70	2,555,371.34	1,839,116.35
<u>Add</u> Increase during the year	5,061,260.00	4,246,000.00	2,527,260.00	2,271,000.00
Total	10,829,014.01	9,286,076.70	5,082,631.34	4,110,116.35
<u>Less</u> Received during the year	(4,035,384.68)	(3,518,322.69)	(1,838,267.59)	(1,554,745.01)
Ending balance for the year	6,793,629.33	5,767,754.01	3,244,363.75	2,555,371.34
<u>Less</u> Current portion of long term loans to employees	(4,002,681.24)	(3,126,245.04)	(1,835,204.98)	(1,395,179.77)
Ending balance for the year - net	<u>2,790,948.09</u>	<u>2,641,508.97</u>	<u>1,409,158.77</u>	<u>1,160,191.57</u>

The Company and its subsidiary have granted loans to employees in respect of loan agreements. The loans were charged with interest at MLR+1.5% personally guaranteed by another employee.

## 12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment consist of:-

	Unit : Baht									
	Consolidated									
	Land and land improvement	Buildings	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
<b>Cost:-</b>										
As at January 1, 2014	300,096,695.36	598,580,186.04	71,583,239.40	6,185,880.43	725,173,066.46	16,643,593.10	64,426,266.26	584,471.76	230,353.20	1,783,503,752.01
Purchase during the year	-	-	-	-	3,149,610.64	575,726.21	1,004,555.77	-	8,577,360.00	13,307,252.62
Transferred in (out)	-	-	-	-	-	-	-	-	(230,353.20)	(230,353.20)
Disposal during the year	(83,168,223.01)	(174,132,074.47)	(8,013,202.31)	-	(2,125,630.99)	(27,300.00)	(2,044,370.20)	-	-	(269,510,800.98)
As at December 31, 2014	216,928,472.35	424,448,111.57	63,570,037.09	6,185,880.43	726,197,046.11	17,192,019.31	63,386,451.83	584,471.76	8,577,360.00	1,527,069,850.45
<b>Accumulated depreciation</b>										
As at January 1, 2014	647,785.55	254,662,802.45	18,893,572.22	1,161,553.82	300,256,651.25	12,753,775.17	19,813,063.75	584,462.76	-	608,773,666.97
Depreciation for the year	28,380.05	22,520,733.85	6,492,412.81	864,291.71	35,502,206.84	1,249,343.01	6,364,339.12	-	-	73,021,707.39
Depreciation - disposals	(263,557.20)	(124,520,996.85)	(8,013,187.31)	-	(1,766,136.17)	(27,296.00)	(2,038,844.33)	-	-	(136,630,017.86)
As at December 31, 2014	412,608.40	152,662,539.45	17,372,797.72	2,025,845.53	333,992,721.92	13,975,822.18	24,138,558.54	584,462.76	-	545,165,356.50
<b>Provision for impairment</b>										
As at January 1, 2014	-	-	-	-	(20,973.24)	-	-	-	-	(20,973.24)
Impairment loss on assets	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-
As at December 31, 2014	-	-	-	-	(20,973.24)	-	-	-	-	(20,973.24)
<b>Net Book Value</b>										
As at January 1, 2014	299,448,909.81	343,917,383.59	52,689,667.18	5,024,326.61	424,895,441.97	3,889,817.93	44,613,202.51	9.00	230,353.20	1,174,709,111.80
As at December 31, 2014	216,515,863.95	271,785,572.12	46,197,239.37	4,160,034.90	392,183,350.95	3,216,197.13	39,247,893.29	9.00	8,577,360.00	981,883,520.71

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

Unit : Baht

	Consolidated									
	Land and land improvement	Buildings	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
<b>Cost:-</b>										
As at January 1, 2015	216,928,472.35	424,448,111.57	63,570,037.09	6,185,880.43	726,197,046.11	17,192,019.31	63,386,451.83	584,471.76	8,577,360.00	1,527,069,850.45
Purchase during the year	-	114,820.00	46,000.00	-	3,964,311.50	450,296.85	1,389,440.88	-	2,583,206.14	8,548,075.37
Transferred in (out)	-	-	-	-	-	-	-	-	(8,577,360.00)	(8,577,360.00)
Disposal during the year	-	-	-	-	(1,761,452.52)	-	(22,616.82)	(67,235.00)	-	(1,851,304.34)
Written-off during the year	-	-	-	-	(152,850.00)	-	-	-	-	(152,850.00)
As at December 31, 2015	216,928,472.35	424,562,931.57	63,616,037.09	6,185,880.43	728,247,055.09	17,642,316.16	64,753,275.89	517,236.76	2,583,206.14	1,525,036,411.48
<b>Accumulated depreciation</b>										
As at January 1, 2015	412,608.40	152,662,539.45	17,372,797.72	2,025,845.53	333,992,721.92	13,975,822.18	24,138,558.54	584,462.76	-	545,165,356.50
Depreciation for the year	-	17,567,610.63	6,493,685.68	864,291.71	34,279,466.66	1,212,882.28	6,473,935.44	-	-	66,891,872.40
Depreciation - disposals	-	-	-	-	(1,753,483.92)	-	(22,613.82)	(67,231.00)	-	(1,843,328.74)
Depreciation - written-off	-	-	-	-	(152,850.00)	-	-	-	-	(152,850.00)
As at December 31, 2015	412,608.40	170,230,150.08	23,866,483.40	2,890,137.24	366,365,854.66	15,188,704.46	30,589,880.16	517,231.76	-	610,061,050.16
<b>Provision for impairment</b>										
As at January 1, 2015	-	-	-	-	(20,973.24)	-	-	-	-	(20,973.24)
Impairment loss on assets	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	20,973.24	-	-	-	-	20,973.24
As at December 31, 2015	-	-	-	-	-	-	-	-	-	-
<b>Net Book Value</b>										
As at January 1, 2015	216,515,863.95	271,785,572.12	46,197,239.37	4,160,034.90	392,183,350.95	3,216,197.13	39,247,893.29	9.00	8,577,360.00	981,883,520.71
As at December 31, 2015	216,515,863.95	254,332,781.49	39,749,553.69	3,295,743.19	361,881,200.43	2,453,611.70	34,163,395.73	5.00	2,583,206.14	914,975,361.32

Depreciation for the year end December 31, consist of :

	Unit : Baht	
	2015	2014
Cost of sales	62,443,908.37	63,788,284.46
Administrative expenses	4,447,964.03	9,233,422.93
Total	66,891,872.40	73,021,707.39

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

	Unit : Baht									
	Separate									
	Land and land improvement	Buildings	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
<b>Cost:-</b>										
As at January 1, 2014	30,591,390.40	140,584,229.15	3,555,000.00	3,859,880.43	301,607,837.10	4,366,301.37	6,081,507.41	1,003,096.45	230,353.20	491,879,595.51
Purchase during the year	-	-	-	-	1,340,424.74	127,680.00	328,491.63	-	1,963,910.00	3,760,506.37
Transferred in (out)	-	-	-	-	-	-	-	-	(230,353.20)	(230,353.20)
Disposal during the year	-	-	-	-	(1,399,130.99)	(22,500.00)	(22,229.07)	-	-	(1,443,860.06)
As at December 31, 2014	30,591,390.40	140,584,229.15	3,555,000.00	3,859,880.43	301,549,130.85	4,471,481.37	6,387,769.97	1,003,096.45	1,963,910.00	493,965,888.62
<b>Accumulated depreciation</b>										
As at January 1, 2014	412,608.40	118,107,291.53	2,902,535.86	631,287.29	173,955,566.17	3,655,869.21	4,669,065.68	1,003,092.45	-	305,337,316.59
Depreciation for the year	-	3,392,644.62	93,209.16	399,091.79	14,856,046.35	260,894.82	663,097.56	-	-	19,664,984.30
Depreciation - disposals	-	-	-	-	(1,385,415.89)	(22,498.00)	(21,065.05)	-	-	(1,428,978.94)
As at December 31, 2014	412,608.40	121,499,936.15	2,995,745.02	1,030,379.08	187,426,196.63	3,894,266.03	5,311,098.19	1,003,092.45	-	323,573,321.95
<b>Net Book Value</b>										
As at January 1, 2014	30,178,782.00	22,476,937.62	652,464.14	3,228,593.14	127,652,270.93	710,432.16	1,412,441.73	4.00	230,535.20	186,542,278.92
As at December 31, 2014	30,178,782.00	19,084,293.00	559,254.98	2,829,501.35	114,122,934.22	577,215.34	1,076,671.78	4.00	1,963,910.00	170,392,566.67

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

	Unit : Baht									
	Separate									
	Land and land improvement	Buildings	Electric system	Wastewater treatment system	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Assets in progress	Total
<b>Cost:-</b>										
As at January 1, 2015	30,591,390.40	140,584,229.15	3,555,000.00	3,859,880.43	301,549,130.85	4,471,481.37	6,387,769.97	1,003,096.45	1,963,910.00	493,965,888.62
Purchase during the year	-	-	46,000.00	-	2,850,000.00	159,581.99	522,423.06	-	78,000.00	3,656,005.05
Transferred in (out)	-	-	-	-	-	-	-	-	(1,963,910.00)	(1,963,910.00)
Disposal during the year	-	-	-	-	(1,739,365.52)	-	(22,616.82)	-	-	(1,761,982.34)
As at December 31, 2015	30,591,390.40	140,584,229.15	3,601,000.00	3,859,880.43	302,659,765.33	4,631,063.36	6,887,576.21	1,003,096.45	78,000.00	493,896,001.33
<b>Accumulated depreciation</b>										
As at January 1, 2015	412,608.40	121,499,936.15	2,995,745.02	1,030,379.08	187,426,196.63	3,894,266.03	5,311,098.19	1,003,092.45	-	323,573,321.95
Depreciation for the year	-	3,267,674.93	94,482.03	399,091.79	13,641,628.70	213,366.87	656,996.98	-	-	18,273,241.30
Depreciation - disposals	-	-	-	-	(1,739,365.52)	-	(22,613.82)	-	-	(1,761,977.34)
As at December 31, 2015	412,608.40	124,767,611.08	3,090,227.05	1,429,470.87	199,328,461.81	4,107,632.90	5,945,481.35	1,003,092.45	-	340,084,585.91
<b>Net Book Value</b>										
As at January 1, 2015	30,178,782.00	19,084,293.00	559,254.98	2,829,501.35	114,122,934.22	577,215.34	1,076,671.78	4.00	1,963,910.00	170,392,566.67
As at December 31, 2015	30,178,782.00	15,816,618.07	510,772.95	2,430,409.56	103,331,303.52	523,430.46	942,094.86	4.00	78,000.00	153,811,415.42

Depreciation for the year end December 31, consist of :

	Unit : Baht	
	2015	2014
Cost of sales	17,348,109.55	18,733,743.45
Administrative expenses	925,131.75	931,240.85
Total	18,273,241.30	19,664,984.30

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

- 12.1 In 2015 and 2014, the Company and its subsidiary had acquired land, building and equipment by cash payment amounting to Baht 4.78 million and Baht 12.26 million respectively.
- 12.2 In 2015 and 2014, the Company and its subsidiary had mortgaged its certain land and building at cost value of Baht 623.36 million and net book value of Baht 517.68 million and Baht 539.79 million respectively for the consolidated financial statements (cost value of Baht 103.25 million and net book value of Baht 64.98 million and Baht 70.52 million respectively for the separate financial statements) with commercial banks as collaterals for their loans as described in Notes 16 to the financial statements.
- 12.3 In 2014, the subsidiary had disposed its land and old factory carrying amount of Baht 132.53 million to non related person at Baht 130 million generating loss from disposal of Baht 2.53 million which the subsidiary presented as administrative expense in the statement of comprehensive income.

## 13. INTANGIBLE ASSETS

Intangible assets are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Cost of assets				
As at January 1, 2015	-	-	-	-
Acquisition during the year	5,857,397.00	-	2,957,100.00	-
Transfer in during the year	8,514,250.00	-	1,900,800.00	-
As at December 31, 2015	14,371,647.00	-	4,857,900.00	-

## 14. INVESTMENT PROPERTY - NET

Investment property - land are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Investment property - land at cost	17,475,660.00	17,475,660.00	-	-
<u>Less</u> Provision for loss on impairment of assets	(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	-	-

## 15. DEFERRED TAX

Deferred tax assets and liability are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Deferred tax assets	6,337,613.77	6,425,577.01	399,924.80	71,482.50

15.1 Movements in deferred tax assets and liability during the years were as follows:-

	Unit : Baht			
	Consolidated			
	As at January 1, 2015	(Changed) Credit for year to		As at December 31, 2015
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other receivable	664,382.37	321,829.25	-	986,211.62
Inventories	2,799,852.45	(1,369,157.30)	-	1,430,695.15
Employee benefit obligations	5,317,122.78	1,362,049.33	(206,261.33)	6,472,910.78
Deferred expense	79,815.19	(79,815.19)	-	-
Provision for impairment of assets	639,576.64	(4,194.65)	-	635,381.99
Total	9,500,749.43	230,711.44	(206,261.33)	9,525,199.54
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(3,075,172.42)	(112,413.35)	-	(3,187,585.77)
Net	6,425,577.01	118,298.09	(206,261.33)	6,337,613.77

	Unit : Baht			
	Consolidated			
	As at January 1, 2014	(Changed) Credit for year to		As at December 31, 2014
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other receivable	719,044.00	(54,661.63)	-	664,382.37
Inventories	1,915,289.76	884,562.69	-	2,799,852.45
Employee benefit obligations	3,981,537.50	1,559,880.14	(224,294.86)	5,317,122.78
Deferred expense	184,063.38	(104,248.19)	-	79,815.19
Provision for impairment of assets	639,576.64	-	-	639,576.64
Unused tax loss	14,661,198.95	(14,661,198.95)	-	-
Total	22,100,710.23	(12,375,665.94)	(224,294.86)	9,500,749.43



15. **DEFERRED TAX** (Con't)

	Unit : Baht			
	Consolidated			
	As at January 1, 2014	(Changed) Credit for year to		As at December 31, 2014
		Profit or loss	Other comprehensive income	
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(2,306,379.32)	(768,793.10)	-	
Net	<u>19,794,330.91</u>	<u>(13,144,459.04)</u>	<u>(224,294.86)</u>	
			<u>6,425,577.01</u>	

In 2014, the subsidiary had adjusted deferred tax asset from carry forward loss of Baht 14.66 million as the Company considered that it was not probable that the subsidiary will not be able to generate sufficient profit to utilize the deferred tax asset.

	Unit : Baht			
	Separate			
	As at January 1, 2015	(Changed) Credit for year to		As at December 31, 2015
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other receivable	664,382.37	-	-	
Inventories	62,895.43	(62,895.43)	-	
Employee benefit obligations	2,339,561.93	626,075.07	(42,508.80)	
Deferred expense	79,815.19	(79,815.19)	-	
Total	<u>3,146,654.92</u>	<u>483,364.45</u>	<u>(42,508.80)</u>	
			<u>3,587,510.57</u>	
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(3,075,172.42)	(112,413.35)	-	
Net	<u>71,482.50</u>	<u>370,951.10</u>	<u>(42,508.80)</u>	
			<u>399,924.80</u>	

15. **DEFERRED TAX** (Con't)

	Unit : Baht			As at December 31, 2015
	Separate			
	As at January 1, 2014	(Changed) Credit for year to		
		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts and other receivable	719,044.00	(54,661.63)	-	664,382.37
Inventories	-	62,895.43	-	62,895.43
Employee benefit obligations	1,480,561.19	659,420.87	199,579.87	2,339,561.93
Deferred expense	184,063.38	(104,248.19)	-	79,815.19
<b>Total</b>	<b>2,383,668.57</b>	<b>563,406.48</b>	<b>199,579.87</b>	<b>3,146,654.92</b>
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(2,306,379.32)	(768,793.10)	-	(3,075,172.42)
<b>Net</b>	<b>77,289.25</b>	<b>(205,386.62)</b>	<b>199,579.87</b>	<b>71,482.50</b>

15.2 Income tax expenses for the years are as follows:-

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2015	2014 (Reclassified)	2015	2014 (Reclassified)
<u>Current income tax</u>				
Corporate income tax charge for the year	(2,412,990.00)	(1,156,090.43)	(2,412,990.00)	(1,156,090.43)
<u>Deferred tax</u>				
Deferred tax (expense) income relating to the original and reversal of temporary differences	118,298.09	1,516,739.91	370,951.10	(205,386.62)
<u>Less</u> Adjustment of carried forward loss	-	(14,661,198.95)	-	-
<b>Income tax (expenses) income</b>	<b>(2,294,691.91)</b>	<b>(14,300,549.47)</b>	<b>(2,042,038.90)</b>	<b>(1,361,477.05)</b>

15. **DEFERRED TAX** (Con't)

	Unit : Baht		
	Consolidated		
	For the year end December 31, 2015		
	Income tax (expense)		
	Before tax	income	Net tax
Deferred tax for :			
Defined benefit plan remeasurement	1,031,306.65	(206,261.33)	825,045.32
Income tax recognized in other comprehensive income	1,031,306.65	(206,261.33)	825,045.32

	Unit : Baht		
	Consolidated		
	For the year end December 31, 2014		
	Income tax (expense)		
	Before tax	income	Net tax
Deferred tax for :			
Defined benefit plan remeasurement	1,121,474.28	(224,294.86)	897,179.42
Income tax recognized in other comprehensive income	1,121,474.28	(224,294.86)	897,179.42

	Unit : Baht		
	Separate		
	For the year end December 31, 2015		
	Income tax (expense)		
	Before tax	income	Net tax
Deferred tax for :			
Defined benefit plan remeasurement	212,544.00	(42,508.80)	170,035.20
Income tax recognized in other comprehensive income	212,544.00	(42,508.80)	170,035.20

15. **DEFERRED TAX** (Con't)

	Unit : Baht		
	Separate		
	For the year end December 31, 2014		
	Income tax (expense)		
	Before tax	income	Net tax
Deferred tax for :			
Defined benefit plan remeasurement	(997,899.35)	199,579.87	(798,319.48)
Income tax recognized in other comprehensive income	(997,899.35)	199,579.87	(798,319.48)

15.3 Reconciliation for effective tax rate

	Consolidated			
	For the year end December 31,			
	2015		2014	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Loss before income tax		(33,785,933.27)		(75,930,890.39)
Profit before income tax of the Company		18,838,246.21		10,400,594.41
<u>Less</u> Profit from Promotional privileges		(8,555,671.23)		(3,655,337.03)
Profit income tax		10,282,574.98		6,745,257.38
Tax expense	20%	2,056,515.00	20%	1,349,051.47
Tax effect of expenses that are not deductible for tax purposes:		238,176.91		12,951,498.00
Tax expense (effective rate)	22%	2,294,691.91	212%	14,300,549.47

	Separate			
	For the year end December 31,			
	2015		2014	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Profit before income tax		18,838,246.21		10,400,594.41
<u>Less</u> Profit from Promotional privileges		(8,555,671.23)		(3,655,337.03)
Profit income tax		10,282,574.98		6,745,257.38
Tax expense	20%	2,056,515.00	20%	1,349,051.47
Tax effect of expenses that are not deductible for tax purposes:		(14,476.10)		12,425.58
Tax expense (effective rate)	20%	2,042,038.90	20%	1,361,477.05

## 15. DEFERRED TAX (Con't)

### 15.4 Tax rate

#### Current income tax

The Company and its subsidiary calculated income tax from net profit for the year after adjust non-taxable expenses and revenue in accordance with the Revenue Code.

By the royal Decree No. 530 B.E. 2554 dated December 21, 2011 it was granted a reduction in the corporate income tax rate for three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after January 1, 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after January 1, 2013 and 2014, respectively. By the royal Decree No. 577 B.E. 2557 dated November 10, 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after January 1, 2015.

On January 22, 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after January 1, 2016.

The main adjustment items are allowance for doubtful accounts, allowance for obsolete of inventories, impairment of assets, employee benefit obligations and expenses were not in compliance with the Revenue Code.

## 16. BANK OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and loans from financial institutions are as follows :-

	Interest rate (% p.a.)	Unit : Baht			
		Consolidated		Separate	
		2015	2014	2015	2014
Bank overdraft	MOR	-	14,419.79	-	14,419.79
Promissory notes	2.2 -2.7, Money market rate	181,500,000.00	238,500,000.00	115,000,000.00	139,500,000.00
Trust receipts	0.75 - 1, Money market rate	21,103,716.56	26,028,630.88	19,783,870.87	20,166,852.74
Total		<u>202,603,716.56</u>	<u>264,543,050.67</u>	<u>134,783,870.87</u>	<u>159,681,272.53</u>

16.1 The Company was granted loans from a commercial banks in 2015 and from two commercial bank in 2014 by issuing due on demand promissory notes.

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

16.2 The above credit facilities were secured by the mortgage of the Company's and its subsidiary's land, building and machinery, and inter - guaranteed by the Company and its subsidiary in such facilities were additionally secured by Oji Holding Corporation, the ultimate parent company.

## 17. TRADE ACCOUNTS AND OTHER PAYABLE

Trade accounts and other payable are as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Trade accounts payable other companies				
- Domestic	40,309,764.81	52,831,161.86	13,524,361.78	23,090,492.89
- Foreign	4,310,408.97	1,984,474.07	4,049,734.72	11,920.75
Total trade accounts payable other	44,620,173.78	54,815,635.93	17,574,096.50	23,102,413.64
Trade account payable - related companies				
- Domestic	228,495.83	18,832.00	708,545.66	824,039.75
- Foreign	1,897,126.55	2,445,926.71	1,897,126.55	1,395,223.03
Total trade accounts payable related companies	2,125,622.38	2,464,758.71	2,605,672.21	2,219,262.78
Total trade accounts	46,745,796.16	57,280,394.64	20,179,768.71	25,321,676.42
Advance payment – parent company	1,076,091.71	-	1,076,091.71	-
Other payable	6,802,684.78	5,291,579.71	3,601,833.03	3,725,279.08
Accrued expenses	9,939,622.12	10,638,530.25	2,729,895.24	2,225,809.39
Advance receipts	387,562.57	127,671.99	204,569.85	124,115.31
Total	64,951,757.34	73,338,176.59	27,792,158.54	31,396,880.20

## 18. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

Long - term loans from financial institutions as follows:-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Loans from banks	430,000,000.00	-	-	-
<u>Add</u> Increase during the year	-	430,000,000.00	-	-
<u>Less</u> Repayments during the year	-	-	-	-
Long - term loans	430,000,000.00	430,000,000.00	-	-

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

Credit line	Objective	Interest Rate	Term of Repayment	Final Payment	Collaterals
Baht 430 million	For payment short - term loans	Fixed 4.77	Quarterly principal installment of 15,366,700 Bath 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

## 19. EMPLOYEE BENEFIT OBLIGATIONS

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

The Company and its subsidiary adopted TAS 19 Employee Benefits which effect from January 1, 2011. The Company and its subsidiary opted to recognize the transitional obligation as at January 1, 2011 through profit or loss on a straight - line basis over five years from January 1, 2011.

Movements during the year on the provision for the unrecognized transitional obligation were as follows:

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Unrecognized transitional obligation as at January 1,	3,996,479.61	7,992,959.26	1,515,732.35	3,031,464.70
Recognized through profit or loss for the year	(3,996,479.61)	(3,996,479.65)	(1,515,732.35)	(1,515,732.35)
Unrecognized transitional obligation as at December 31,	-	3,996,479.61	-	1,515,732.35

Movement in the present value of the employee benefits obligations consist of;

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Opening balance as at January 1,	24,217,323.42	17,539,397.03	10,786,196.66	6,491,192.96
Current service cost	2,900,219.00	2,805,082.02	1,414,680.00	1,781,372.00
Interest cost	719,352.02	997,839.00	330,084.00	437,944.00
Employment benefit paid during the year	(805,804.00)	-	(130,121.00)	-
Past service cost	3,996,479.61	3,996,479.65	1,515,732.34	1,515,732.35
Defined benefit plan remeasurement	(1,031,306.65)	(1,121,474.28)	(212,544.00)	997,899.35
Ending balance as at December 31,	29,996,263.40	24,217,323.42	13,704,028.00	10,786,196.66
<u>Less</u> Current portion	(164,606.00)	-	-	-
Employment benefit obligations - net	29,831,657.40	24,217,323.42	13,704,028.00	10,786,196.66

**19. EMPLOYEE BENEFIT OBLIGATIONS (Con't)**

Long-term employee benefit expenses included in the profit or loss are as follows:

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2015	2014	2015	2014
Past service cost	3,996,479.61	3,996,479.65	1,515,732.34	1,515,732.35
Current service cost	2,900,219.00	2,805,082.02	1,414,680.00	1,343,428.00
Interest cost	719,352.02	997,839.00	330,084.00	437,944.00
<b>Total</b>	<b>7,616,050.63</b>	<b>7,797,400.67</b>	<b>3,260,496.34</b>	<b>3,297,104.35</b>

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

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2015	2014	2015	2014
Profit or loss :				
Cost of goods sold	5,535,258.94	5,642,979.97	2,357,028.00	2,356,936.01
Selling expense	799,410.55	681,411.25	210,980.70	93,561.40
Administrative expense	1,281,381.14	1,475,009.45	692,487.64	846,606.94
<b>Total</b>	<b>7,616,050.63</b>	<b>7,799,400.67</b>	<b>3,260,496.34</b>	<b>3,297,104.35</b>
Other comprehensive income :				
Defined benefit plan				
remeasurement	-	997,899.35	-	997,899.35

Remeasurement of defined benefit plan recognised in other comprehensive income are as follows:

	Unit : Baht			
	For the year end December 31,			
	Consolidated		Separate	
	2015	2014	2015	2014
Included in retained earnings				
At January 1,	997,899.35	-	997,899.35	-
Recognised during the year	-	997,899.35	-	997,899.35
At December 31,	<b>997,899.35</b>	<b>997,899.35</b>	<b>997,899.35</b>	<b>997,899.35</b>



**19. EMPLOYEE BENEFIT OBLIGATIONS (Con't)**

Remeasurement of defined benefit plan recognized in other comprehensive income arising from:

	Unit : Baht	
	For the year end December 31, 2015	
	Consolidated	Separate
Financial assumptions		
Experience adjustment	(218,880.65)	(61,576.00)
Demographic assumptions	(812,426.00)	(150,968.00)
Total	(1,031,306.65)	(212,544.00)

Principal actuarial assumptions at the reporting date are as follows :

	Consolidated	
	2015	2014
Discounted rate (%)	2.70 - 2.76	4.0493 - 4.1626
Salary increase rate (%)	3.50	5
Retirement age (year)	60	60
* Employee turnover rate (%)	0 - 22	0 - 25
** Mortality rate	TMO 2008	TMO 2008
* Upon the length of service		

\*\* Reference from TMO2008 (TMO08 : Thai Mortality Ordinary Table of 2008)

	Separate	
	2015	2014
Discounted rate (%)	2.76	4.1626
Salary increase rate (%)	3.50	5
Retirement age (year)	60	60
* Employee turnover rate (%)	0 - 22	0 - 23
** Mortality rate	TMO 2008	TMO 2008

\* Upon the length of service

\*\* Reference from TMO2008 (TMO08 : Thai Mortality Ordinary Table of 2008)

Amounts of defined benefit obligation for the current and previous four - years are as follows :

	Unit : Baht	
	Consolidated	Separate
2015	29,996,263.40	13,704,028.00
2014	24,217,323.42	10,786,196.66
2013	17,539,397.03	6,491,192.96
2012	11,642,578.91	4,214,543.11
2011	5,747,833.00	2,534,727.00

## 20. DIVIDEND PAYMENT

### 2015

At the Board of Directors' meeting No.3/2015 on August 13, 2015, it was approved to pay interim dividend from net profit from the Company's operation from January to June 2015 at Baht 0.016 per share, amounting to Baht 4.80 million of which was paid on September 11, 2015.

At the Annual General Shareholders' Meeting of 2015 held on April 24, 2015, it was approved to distribute dividend for the year 2014 at the rate of Baht 0.014 per share amounting to Baht 4.20 million of which was paid on May 22, 2015.

### 2014

At the Annual General Shareholders' Meeting of 2014 No.1/2014 held on April 25, 2014, it was approved to pay the interim dividend from net profit from the operation from January to June 2013 at Baht 0.024 per share amounting to Baht 7.20 million of which was paid on September 12, 2013 and approved to pay additional dividend from net profit from the operation from July to December 2013 at Baht 0.003 per share amounting to Baht 0.90 million of which set to be paid on May 23, 2014.

## 21. EXPENSES BY NATURE

Significant expenses classified by nature consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Changes in inventories of finished goods				
and work in process	11,251,900.89	3,282,695.59	2,997,702.66	(437.72)
Raw materials and consumables used	604,732,277.86	648,749,619.43	326,900,476.68	352,584,792.64
Employee expenses	157,577,208.96	153,612,279.68	72,738,437.32	70,015,976.52
Depreciation and amortization	66,891,872.40	73,021,707.39	18,273,241.30	19,664,984.30
Allowance for obsolete goods - net	(6,845,786.46)	4,422,813.46	(314,477.16)	314,477.16

## 22. EARNINGS PER SHARE

Basis earnings per share for the period is 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 period as follows:

	Unit : Baht			
	Consolidated		Separate	
	2015	2014	2015	2014
Net profit (loss) attributable to ordinary shareholders of the Company (basis) (Baht)	(36,080,625.18)	(90,231,439.86)	16,796,207.30	9,039,117.35
Number of weighted average common shares (Share)	300,000,000	300,000,000	300,000,000	300,000,000
Basic earnings per share (Baht)	(0.12)	(0.30)	0.06	0.03

## 23. 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.

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

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

	Unit : Thousands baht		
	Consolidated		
	For the year end December 31, 2015		
	Promoted business	Non-promoted business	Total
Total revenues	126,578	817,311	943,889
Cost and expenses	(117,790)	(833,880)	(951,670)
Finance cost	(887)	(25,118)	(26,005)
Income tax	-	(2,295)	(2,295)
Net profit (loss)	7,901	(28,180)	(36,081)
Other comprehensive income	-	825	825
Comprehensive income (loss)	7,901	(27,355)	(35,256)

	Unit : Thousands baht		
	Separate		
	For the year end December 31, 2015		
	Promoted business	Non-promoted business	Total
Total revenues	126,578	370,882	497,460
Cost and expenses	(117,790)	(357,353)	(475,143)
Finance cost	(887)	(2,591)	(3,478)
Income tax	-	(2,042)	(2,042)
Net profit (loss)	7,901	8,896	16,797
Other comprehensive income	-	170	170
Comprehensive income (loss)	7,901	9,066	16,967

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.

## **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 (1987). 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, 2015 and 2014, the Company and its subsidiary contributed to the fund amounting to Baht 3.19 million and Baht 3.12 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 Managing Director.

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 5.19 to the 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. FINANCIAL INSTRUMENT (Con't)

### 26.3 Credit risk

The Company and 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, bank overdrafts and loan from financial institutions 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 management deemed their interest risk at low level. The Company and its subsidiary thus do not use derivative financial instruments to hedge such risk.

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, 2015						
	Fixed interest rates			Floating	Non-	Total	Interest
within	Over	Over	interest	interest		rate	
1 year	1 - 5 years	5 years	rate	bearing		(% p.a.)	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	22,685	8,717	31,402	0.125-0.75
Trade accounts and other receivable - net	-	-	-	-	159,186	159,186	-
Deposit at bank held as collateral	-	-	-	25	-	25	0.5
Long - term loans to employees	-	-	-	6,794	-	6,794	MLR+1.5
<b>Financial liabilities</b>							
Bank overdraft and loans from financial institutions	-	-	-	202,604	-	202,604	0.75-2.7, MOR, Money market rate
Trade accounts and other payable	-	-	-	-	64,952	64,952	-
Asset payable	-	-	-	-	3,763	3,763	-
Long - term loans from financial institutions	-	-	430,000	-	-	430,000	Fixed 4.77

26. FINANCIAL INSTRUMENT (Con't)

Unit : Thousand baht							
Consolidated as at December 31, 2014							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within	Over	Over				
	1 year	1 - 5 years	5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	11,271	17,738	29,009	0.125-0.75
Trade accounts and other receivable - net	-	-	-	-	190,219	190,219	-
Deposit at bank held as collateral	-	-	-	2,617	-	2,617	0.5
Long - term loans to employees	-	-	-	5,768	-	5,768	MLR+1.5
<b>Financial liabilities</b>							
Bank overdraft and loans from financial institutions	-	-	-	264,543	-	264,543	0.75-2.7, MOR, Money market rate
Trade accounts and other payable	-	-	-	-	73,338	73,338	-
Asset payable	-	-	-	-	1,052	1,052	-
Long - term loans from financial institutions	-	-	430,000	-	-	430,000	Fixed 4.77

Unit : Thousand baht							
Separate as at December 31, 2015							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within	Over	Over				
	1 year	1 - 5 years	5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	22,473	7,344	29,817	0.125 - 0.75
Trade accounts and other receivable - net	-	-	-	-	85,479	85,479	-
Long - term loans to employees	-	-	-	3,244	-	3,244	MLR+1.5
<b>Financial liabilities</b>							
Bank overdraft and loans from financial institution	-	-	-	134,784	-	134,784	0.75-2.7, MOR, Money market rate
Trade accounts and other payable	-	-	-	-	27,792	27,792	-
Asset payable	-	-	-	-	2,930	2,930	-

## 26. FINANCIAL INSTRUMENT (Con't)

	Unit : Thousand baht						
	Separate as at December 31, 2014						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	within 1 year	Over 1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	8,088	6,799	14,887	0.125 – 0.75
Trade accounts and other receivable - net	-	-	-	-	100,102	100,102	-
Long - term loans to employees	-	-	-	2,555	-	2,555	MLR+1.5
<b>Financial liabilities</b>							
Bank overdraft and loans from financial institution	-	-	-	159,681	-	159,681	0.75-2.7, MOR, Money market rate
Trade accounts and other payable	-	-	-	-	31,397	31,397	-
Asset payable	-	-	-	-	231	231	-

### 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	
	2015	2014	2015	2014
<b>Liabilities</b>				
Us Dollars	582,110.47	877,350.66	545,704.75	609,027.60

### 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 fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.



## 26. FINANCIAL INSTRUMENT (Con't)

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as trade in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique.

Since the majority of the Company and subsidiary financial assets and liabilities are long-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

27.1 As at December 31, 2015 and 2014, The Company and its subsidiary had a future obligation in Software contract amounting to of of Baht 0.31 million and Baht 5.57 million respectively.

27.2 At end of the years, the Company and its subsidiary had outstanding commitments with banks are as follows :

	December 31, 2015		December 31, 2014	
	Baht	US\$	Baht	US\$
Letters of credit				
the Company	-	283,931.78	-	192,540.25
the subsidiary	-	183,950.00	-	77,106.85
Letters of guarantee				
the Company	6,778,400.00	-	6,728,400.00	-
the subsidiary	8,162,470.82	-	10,965,255.86	-

## 28. CAPITAL MANAGEMENT

The primary objectives of the Company and 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, 2015 and 2014, debt-to-equity ratio in the consolidated financial statements was 1.49 : 1 and 1.48 : 1 respectively, and the separate financial statements was 0.32 : 1 and 0.36 : 1 respectively.

## 29. EVENTS AFTER REPORTING PERIOD

At the Board of Directors' Meeting of the Company No. 1/2016 held on February 29, 2016, it was approved to propose to the shareholders at the Annual General Meeting of 2016 to pay dividend from its operation from July to December 2015 at Baht 0.012 per share amounting to Baht 3.6 million.

## 30. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on February 29, 2016.