

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and separate statements of financial position as at June 30, 2020, and the related consolidated and separate statements of comprehensive income for the three - month and six - month periods then ended, the related consolidated and separate statement of changes in shareholders' equity and cash flows for the six - month periods then ended and condensed notes to interim financial information of S. PACK & PRINT PUBLIC COMPANY LIMITED and its subsidiary and of S. PACK & PRINT PUBLIC COMPANY LIMITED. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to Condensed Note 3.2 to the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 in preparation of the interim financial statements for the three - month and six - month period ended June 30, 2020. My conclusion is not modified in respect of this matter.

(Porntip Amornchailertpattana)

Certified Public Accountant (Thailand) No. 9589

OFFICE OF PITISEVI CO., LTD.

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

Ladyao, Chatuchak, Bangkok

August 13, 2020

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		Unit : Baht				
		Consolidated			Separate	
		June 30, 2020	December 31, 2019	January 1, 2019	June 30, 2020	December 31, 2019
		(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)
Note		(Reviewed)	(Restated)	(Restated)	(Reviewed)	
ASSETS						
CURRENT ASSETS						
	Cash and cash equivalents	74,957,313.06	37,346,144.01	28,737,713.61	37,716,615.95	25,538,737.85
7.2, 8	Trade accounts and other current receivable - net	226,643,866.31	188,505,967.52	203,275,197.31	128,946,295.31	103,640,312.12
9	Inventories - net	181,980,984.00	167,692,793.85	192,159,775.13	87,132,010.22	70,149,217.42
	Long - term loans to employees - current portion	369,270.99	539,151.32	996,457.14	303,879.19	340,170.75
	Other current assets	265,298.81	251,867.39	263,514.98	34,867.52	32,830.90
	Total current assets	484,216,733.17	394,335,924.09	425,432,658.17	254,133,668.19	199,701,269.04
NON - CURRENT ASSETS						
10	Investment in subsidiary	-	-	-	500,100,399.40	500,100,399.40
	Long - term loans to employees - net	222,899.44	382,101.35	584,086.90	141,532.40	284,077.01
	Investment property - net	14,298,750.00	14,298,750.00	14,298,750.00	-	-
4, 11	Property, plant and equipment - net	768,512,159.79	791,583,190.68	791,180,437.35	146,735,925.27	149,022,430.22
6.2, 12	Right-of-use assets	2,345,365.41	-	-	1,360,144.64	-
13	Intangible assets - net	2,275,184.75	3,923,853.92	7,225,489.38	748,159.78	1,348,934.82
14	Deferred tax assets	8,298,471.80	8,204,202.32	4,804,512.76	6,702,518.69	6,104,950.85
	Other non - current assets	745,866.63	919,726.72	996,125.56	246,481.27	310,681.27
	Total non - current assets	796,698,697.82	819,311,824.99	819,089,401.95	656,035,161.45	657,171,473.57
	TOTAL ASSETS	1,280,915,430.99	1,213,647,749.08	1,244,522,060.12	910,168,829.64	856,872,742.61

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT JUNE 30, 2020

		Unit : Baht					
		Consolidated			Separate		
		June 30, 2020	December 31, 2019	January 1, 2019	June 30, 2020	December 31, 2019	
		(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	
Note		(Reviewed)	(Restated)	(Restated)	(Reviewed)		
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>							
CURRENT LIABILITIES							
	Short - term loans from financial institutions	15	25,000,000.00	109,500,000.00	277,574,258.45	25,000,000.00	40,000,000.00
	Trade accounts and other current payable	7.2, 16	157,338,813.10	118,638,311.78	143,145,872.07	87,658,308.12	63,184,485.93
Current portion of							
	Long - term loan from financial institution	17	61,466,800.00	61,466,800.00	61,466,800.00	-	-
	Lease liabilities	6.2, 18	1,095,193.99	-	-	756,831.49	-
	Short - term loan from related company	7.2	300,000,000.00	200,000,000.00	-	-	-
	Accrued corporate income tax		5,106,433.57	3,250,817.26	2,600,626.98	5,106,433.57	3,250,817.26
	Provision of current liabilities for employee benefit	19	1,364,914.00	1,944,831.00	-	-	634,703.00
	Accrued dividend		20,536,148.42	20,536,148.42	20,536,450.82	20,536,148.42	20,536,148.42
	Other current liabilities		1,323,692.68	1,696,431.84	2,136,452.39	556,407.44	706,539.57
	Total current liabilities		573,231,995.76	517,033,340.30	507,460,460.71	139,614,129.04	128,312,694.18
NON - CURRENT LIABILITIES							
	Long - term loan from financial institution - net	17	168,766,100.00	199,499,500.00	260,966,300.00	-	-
	Lease liabilities - net	6.2, 18	1,273,300.89	-	-	616,761.34	-
	Provision of non - current liabilities						
	for employee benefit - net	19	50,125,101.65	47,569,387.00	32,102,438.00	30,744,815.00	29,235,641.00
	Total non - current liabilities		220,164,502.54	247,068,887.00	293,068,738.00	31,361,576.34	29,235,641.00
	TOTAL LIABILITIES		793,396,498.30	764,102,227.30	800,529,198.71	170,975,705.38	157,548,335.18

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT JUNE 30, 2020

	Unit : Baht				
	Consolidated			Separate	
	June 30, 2020	December 31, 2019	January 1, 2019	June 30, 2020	December 31, 2019
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)
Note	(Reviewed)	(Restated)	(Restated)	(Reviewed)	
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
300,000,000 Common Shares of Baht 1 each	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00	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	300,000,000.00
Share premium on common shares	278,374,901.60	278,374,901.60	278,374,901.60	278,374,901.60	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	30,000,000.00
Unappropriated	(120,855,968.91)	(158,829,379.82)	(164,382,040.19)	130,818,222.66	90,949,505.83
Total equity of the Company	487,518,932.69	449,545,521.78	443,992,861.41	739,193,124.26	699,324,407.43
Non - controlling interests	-	-	-	-	-
Total shareholders' equity	487,518,932.69	449,545,521.78	443,992,861.41	739,193,124.26	699,324,407.43
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,280,915,430.99	1,213,647,749.08	1,244,522,060.12	910,168,829.64	856,872,742.61

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

(Reviewed)

FOR THE THREE - MONTH PERIOD ENDED JUNE 30, 2020

		Unit : Baht				
		Consolidated		Separate		
Note		2020	2019	2020	2019	
REVENUES						
	Sales income and proceeds from services	7.1	318,979,792.70	266,357,643.89	177,662,326.35	135,910,987.95
	Other incomes		1,049,160.24	2,790,562.67	434,934.92	1,271,644.43
	TOTAL REVENUES		320,028,952.94	269,148,206.56	178,097,261.27	137,182,632.38
EXPENSES						
	Cost of sales and services	7.1	263,369,719.05	244,393,575.74	138,633,282.41	118,063,011.18
	Distribution costs		10,900,282.56	10,753,494.55	4,880,161.84	4,435,085.37
	Administrative expenses	7.1	11,097,776.73	15,355,530.81	4,940,049.81	7,921,200.66
	TOTAL EXPENSES		285,367,778.34	270,502,601.10	148,453,494.06	130,419,297.21
	PROFIT (LOSS) FROM OPERATING		34,661,174.60	(1,354,394.54)	29,643,767.21	6,763,335.17
	Finance cost	7.1	(4,004,970.22)	(5,858,319.86)	(106,330.53)	(564,878.61)
	PROFIT (LOSS) BEFORE INCOME TAX		30,656,204.38	(7,212,714.40)	29,537,436.68	6,198,456.56
	Income tax (expenses) income	14.2	(3,393,395.12)	744,170.74	(3,076,489.47)	21,743.69
	NET PROFIT (LOSS) FOR THE PERIOD		27,262,809.26	(6,468,543.66)	26,460,947.21	6,220,200.25
	OTHER COMPREHENSIVE INCOME (LOSS)		-	-	-	-
	COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		27,262,809.26	(6,468,543.66)	26,460,947.21	6,220,200.25
NET PROFIT (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		27,262,809.26	(6,468,543.66)		
	Non - controlling interersts		-	-		
	NET PROFIT (LOSS) FOR THE PERIOD		27,262,809.26	(6,468,543.66)		
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		27,262,809.26	(6,468,543.66)		
	Non - controlling interersts		-	-		
	COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		27,262,809.26	(6,468,543.66)		
BASIC EARNINGS (LOSS) PER SHARE (BAHT : SHARES)						
	Equity holders of the parent company	21	0.091	(0.022)	0.088	0.021

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME (Con't)

(Unaudited)

(Reviewed)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020

		Unit : Baht				
		Consolidated		Separate		
Note		2020	2019	2020	2019	
REVENUES						
	Sales income and proceeds from services	7.1	613,117,787.77	544,562,561.07	335,113,989.32	268,721,182.46
	Other incomes	7.1	1,346,329.90	4,688,470.16	662,387.64	2,301,052.82
	TOTAL REVENUES		614,464,117.67	549,251,031.23	335,776,376.96	271,022,235.28
EXPENSES						
	Cost of sales and services	7.1	508,561,023.09	491,678,787.75	263,949,470.36	229,952,955.76
	Distribution costs		22,532,622.88	21,181,061.41	9,905,099.89	8,314,251.29
	Administrative expenses	7.1	32,112,922.56	29,490,283.64	17,270,065.62	14,674,027.25
	TOTAL EXPENSES		563,206,568.53	542,350,132.80	291,124,635.87	252,941,234.30
	PROFIT FROM OPERATING		51,257,549.14	6,900,898.43	44,651,741.09	18,081,000.98
	Finance cost	7.1	(8,271,974.14)	(11,702,659.65)	(274,158.53)	(1,199,927.21)
	PROFIT (LOSS) BEFORE INCOME TAX		42,985,575.00	(4,801,761.22)	44,377,582.56	16,881,073.77
	Income tax (expenses) income	14.2	(5,012,164.09)	(686,648.17)	(4,508,865.73)	(1,159,987.94)
	NET PROFIT (LOSS) FOR THE PERIOD		37,973,410.91	(5,488,409.39)	39,868,716.83	15,721,085.83
	OTHER COMPREHENSIVE INCOME (LOSS)		-	-	-	-
	COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		37,973,410.91	(5,488,409.39)	39,868,716.83	15,721,085.83
NET PROFIT (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		37,973,410.91	(5,488,409.39)		
	Non - controlling interersts		-	-		
	NET PROFIT (LOSS) FOR THE PERIOD		37,973,410.91	(5,488,409.39)		
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :						
	Owners of the Company		37,973,410.91	(5,488,409.39)		
	Non - controlling interersts		-	-		
	COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		37,973,410.91	(5,488,409.39)		
BASIC EARNINGS (LOSS) PER SHARE (BAHT : SHARES)						
	Equity holders of the parent company	21	0.127	(0.018)	0.133	0.052

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020

(Reviewed)

		Unit : Baht				
		Consolidated				
		Issued and paid - up		Retained earnings (deficit)		Total
Note		share capital	Share premium	Legal reserve	Unappropriated	
	Beginning balance as at January 1, 2019 (Before restated)	300,000,000.00	278,374,901.60	30,000,000.00	(166,873,455.26)	441,501,446.34
	Cumulative effect of correction of significant error for	-	-	-	2,491,415.07	2,491,415.07
	Beginning balance as at January 1, 2019 (After restated)	300,000,000.00	278,374,901.60	30,000,000.00	(164,382,040.19)	443,992,861.41
	Comprehensive income (loss) for the period					
	Net loss	-	-	-	(5,488,409.39)	(5,488,409.39)
	Other comprehensive income (loss)	-	-	-	-	-
	Ending balance as at June 30, 2019	<u>300,000,000.00</u>	<u>278,374,901.60</u>	<u>30,000,000.00</u>	<u>(169,870,449.58)</u>	<u>438,504,452.02</u>
	Beginning balance as at January 1, 2020 (After restated)	300,000,000.00	278,374,901.60	30,000,000.00	(158,829,379.82)	449,545,521.78
	Comprehensive income (loss) for the period					
	Net profit	-	-	-	37,973,410.91	37,973,410.91
	Other comprehensive income (loss)	-	-	-	-	-
	Ending balance as at June 30, 2020	<u>300,000,000.00</u>	<u>278,374,901.60</u>	<u>30,000,000.00</u>	<u>(120,855,968.91)</u>	<u>487,518,932.69</u>

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

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

(Unaudited)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020

(Reviewed)

	Unit : Baht					
	Separate					
	Note	Issued and paid - up share capital	Share premium	Retained earnings (deficit)		Total
				Legal reserve	Unappropriated	
Beginning balance as at January 1, 2019	300,000,000.00	278,374,901.60	30,000,000.00	53,187,943.25	661,562,844.85	
Comprehensive income (loss) for the period						
Net profit	-	-	-	15,721,085.83	15,721,085.83	
Other comprehensive income (loss)	-	-	-	-	-	
Ending balance as at June 30, 2019	<u>300,000,000.00</u>	<u>278,374,901.60</u>	<u>30,000,000.00</u>	<u>68,909,029.08</u>	<u>677,283,930.68</u>	
Beginning balance as at January 1, 2020	300,000,000.00	278,374,901.60	30,000,000.00	90,949,505.83	699,324,407.43	
Comprehensive income (loss) for the period						
Net profit	-	-	-	39,868,716.83	39,868,716.83	
Other comprehensive income (loss)	-	-	-	-	-	
Ending balance as at June 30, 2020	<u>300,000,000.00</u>	<u>278,374,901.60</u>	<u>30,000,000.00</u>	<u>130,818,222.66</u>	<u>739,193,124.26</u>	

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

(Unaudited)

(Reviewed)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020

	Note	Unit : Baht			
		Consolidated		Separate	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax		42,985,575.00	(4,801,761.22)	44,377,582.56	16,881,073.77
Reconciliations of net profit (loss) to net cash provided by (used in) operating activities					
Depreciation	11, 12	28,878,449.53	28,029,377.32	6,947,873.33	6,809,734.87
Amortization of intangible assets	13	1,648,669.17	1,643,824.36	600,775.04	599,110.98
Allowances for obsolete goods	9	787,724.91	258,272.92	787,724.91	-
Allowances for obsolete goods (reversal)	9	(1,090,441.12)	(259,695.75)	(272,834.13)	-
(Gain) loss from disposal of fixed assets		(4,004.78)	(81,297.81)	(4,004.78)	(81,248.58)
Unrealized loss from exchange rate		(1,671,065.23)	(1,224,042.51)	(543,151.46)	(615,607.84)
Provision for employee benefit	19	2,696,510.00	12,786,333.00	1,518,858.00	7,277,502.00
Interest income		(43,028.52)	(68,326.09)	(31,182.65)	(36,766.00)
Interest expenses		8,271,974.14	11,702,659.65	274,158.53	1,199,927.21
Profit from operating activities before changes in operating assets and liabilities		82,460,363.10	47,985,343.87	53,655,799.35	32,033,726.41
Decrease (Increase) in operating assets					
Trade accounts and other current receivable		(39,303,688.94)	(10,805,113.57)	(26,256,223.34)	(14,512,787.45)
Inventories		(13,985,473.94)	(12,860,746.47)	(17,497,683.58)	15,371,923.22
Other current assets		(13,431.42)	(57,061.49)	(2,036.62)	(6,065.81)
Other non - current assets		173,860.09	4,505.00	64,200.00	4,505.00
Increase (Decrease) in operating liabilities					
Trade accounts and other current payable		42,180,460.59	(9,779,335.72)	26,197,083.34	1,524,427.99
Other current liabilities		(372,739.16)	(1,123,487.73)	(150,132.13)	(146,553.31)
Employee benefits paid during the period	19	(720,712.35)	(347,983.33)	(644,387.00)	-
Cash provided by (used in) operating activities		70,418,637.97	13,016,120.56	35,366,620.02	34,269,176.05
Interest paid		(8,512,959.50)	(11,306,348.50)	(238,280.83)	(1,241,726.50)
Income tax paid		(3,250,817.26)	(2,600,626.98)	(3,250,817.26)	(2,600,626.98)
Net cash provided by (used in) operating activities		58,654,861.21	(890,854.92)	31,877,521.93	30,426,822.57

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (Con't)

(Unaudited)

(Reviewed)

FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020

Unit : Baht					
		Consolidated		Separate	
Note	2020	2019	2020	2019	
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment of loans to employees	-	(338,900.00)	-	(338,900.00)	
Receipt of loans to employees	329,082.24	661,654.05	178,836.17	390,537.15	
Interest income	43,028.52	68,326.09	31,182.65	36,766.00	
Payments of asset payable	(1,514,321.77)	-	(1,184,219.28)	-	
Acquisition of fixed assets	11 (4,087,098.93)	(14,718,766.34)	(3,330,461.15)	(14,620,441.95)	
Acquisition of intangible assets	-	(13,541.43)	-	-	
Cash received from disposal of fixed assets	4,017.78	104,536.08	4,017.78	81,258.58	
Net cash provided by (used in) investing activities	(5,225,292.16)	(14,236,691.55)	(4,300,643.83)	(14,450,780.22)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (Decrease) in bank overdraft and					
loans from financial institutions	(84,500,000.00)	62,442,103.34	(15,000,000.00)	(1,057,896.66)	
Repayments for long - term loans from					
financial institution	17 (30,733,400.00)	(30,733,400.00)	-	-	
Received from short - term loan from related company	7.2 100,000,000.00	-	-	-	
Cash paid for lease liabilities	(585,000.00)	-	(399,000.00)	-	
Dividend paid	-	(302.40)	-	(302.40)	
Net cash provided by (used in) financing activities	(15,818,400.00)	31,708,400.94	(15,399,000.00)	(1,058,199.06)	
Net cash and cash equivalent increase (decrease)	37,611,169.05	16,580,854.47	12,177,878.10	14,917,843.29	
Cash and cash equivalents as at beginning balance	37,346,144.01	28,737,713.61	25,538,737.85	23,112,037.63	
Cash and cash equivalents as at ending balance	74,957,313.06	45,318,568.08	37,716,615.95	38,029,880.92	

Supplemental disclosures of cash flows information

1. Non - cash transactions (Unit : Baht)

The Company and its subsidiary purchased

 fixed assets on credit

 Transfer deposit to fixed assets

2. Unutilized credit facilities for future working capital

(Unit : Million Baht)

Condensed notes to interim financial information are an integral part of these interim financial information.

S. PACK & PRINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION
FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2020 (UNAUDITED BUT REVIEWED)

1. GENERAL INFORMATION

1.1 General information about the Company

The Company converted 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 is located in Sinsakhon Printing City Industrial Estate, No. 30/32, Moo 1, Kokkharm Subdistrict, Muang Samutsakorn District, Samutsakorn.

The Company is a subsidiary of Oji Holdings Corporation Company Limited registered in Japan, holding 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.

1.2 Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 pandemic (COVID-19) in Thailand and other countries is continuing to evolve widely, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company's and its subsidiary's management have continuously monitored ongoing developments and evaluated its operation and the management must use estimate and judgement in respect of various issues as the situation has evolved.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation of interim financial statements

The statutory interim 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 interim financial statements are presented on a condensed basis in accordance with Thai Accounting standards No. 34, "Interim Financial Reporting" including related interpretations and guidelines promulgated by the Federation of Accounting Professions and the Rules of the Stock Exchange of Thailand in connection with accounting. However, the Company and its subsidiary has presented the statement of financial position, statement of comprehensive income, statements of changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements. The notes to interim financial information are prepared in a condensed format.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS (Con't)

2.1 Basis of preparation of interim financial statements (Con't)

The interim financial statements have been prepared in order to provide additional information of financial statements for the year ended December 31, 2019. The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and new situation and will not present information repeatedly from those has already been disclosed. Therefore, these interim financial statements shall be read collectively with the financial statements for the year ended December 31, 2019.

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

2.2 Basis of preparation of consolidated interim financial statements

The consolidated interim financial statements included the financial statements of the Company and its subsidiary, Sahakij Packaging Company Limited, and are prepared on the same basis as the consolidated financial statements for the year ended December 31, 2019, with no structural changes related to subsidiary occurring during the current period.

2.3 Basis of preparation of separate interim financial statements

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

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE AS ANNOUNCED BY THE FEDERATION OF ACCOUNTING PROFESSIONS

3.1 Adoption of new accounting standards effective in the current period

In current period, the Company and its subsidiary has applied the revised (revised 2019) and newly Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Interpretations (TSIC and TFRIC) and Accounting Treatment Guidance as announced by the Federation of Accounting Professions.

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

3. **ADOPTION OF NEW ACCOUNTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE AS ANNOUNCED BY THE FEDERATION OF ACCOUNTING PROFESSIONS (Con't)**

However, some of these standards involve changes to key principles, as follows :

The set of TFRSs related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows :

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described below:

- Recognition of credit losses

The Company and its subsidiary is to recognize an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company and its subsidiary apply simplified approach to consider impairment of trade receivables. The Company and its subsidiary's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

TFRS 16 Leases

TFRS 16 supersedes TAS 17, Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low

However, accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company and its subsidiary adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognized as an adjustment to the financial information as at January 1, 2020, and the comparative information was not restated. The cumulative effect is presented in Condensed Note 6 to the interim financial information.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE AS ANNOUNCED BY THE FEDERATION OF ACCOUNTING PROFESSIONS (Con't)

3.2 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation.

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiary has elected to apply the following temporary relief measures on accounting alternatives :

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiary uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

4. CORRECTION OF SIGNIFICANT ERROR

In the first quarter of 2020, the Company discovered an prior year error in elimination of profit or loss and borrowing costs arising from related party transactions recognized in property, plant and equipment which in effect, the value of property, plant and equipment - net presented in the consolidated financial statements is lower at the amount of Baht 2.49 million. The Company made retrospective adjustment which the effects of the above correction can be summarized as follows :

	Unit : Baht
	Consolidated
<u>Statement of financial position as at December 31, 2018</u>	
Property, plant and equipment - net	2,491,415.07
Deficit - Unappropriated	(2,491,415.07)

5. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019.

Excepted the accounting policy regarding financial instruments and leases and accounting treatment guidance which the Company and its subsidiary has adopted the newly Thai Financial Reporting Standard as described

in Condensed Note 3.1 and 3.2 to the interim financial information. The cumulative effect of the change in accounting policy is described in Condensed Note 6 to the interim financial information.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.1 Financial instruments

Classification and measurement of financial assets and financial liabilities

Financial assets

Financial assets for debt instrument contain three principal classification categories: measured at amortize cost, fair value to profit or loss, fair value to other comprehensive income based on the business model of the Company in which they are managed and based on the cash flow characteristics of the financial asset.

Financial assets measured at amortize cost shall be calculated using effective interest rate in statement of profit or loss and other comprehensive income.

Financial assets for equity instrument are measured at fair value to profit or loss. The Company and its subsidiary considered to recognize financial assets at fair value to other comprehensive income that will not be reclassified subsequently to profit or loss.

Financial liabilities

Financial liabilities which classified and measured at amortize cost. Interest expenses calculated by using effective interest rate in statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Company and its subsidiary recognizes an allowance for expected credit losses on its financial assets, and it is no longer necessary for credit impaired event to have occurred. The Company and its subsidiary applies a simplified approach to determine the lifetime expected credit losses on account receivables.

5.2 Leases

Right-of-use assets

The Company and its subsidiary recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company and its subsidiary is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.2 Leases (Con't)

Lease liabilities

At the commencement date of the lease, the Company and its subsidiary recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company and its subsidiary's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

5.3 Judgement and estimates

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenue and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the annual financial statements for the year ended December 31, 2019.

6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Condensed Note 3 to the interim financial information, during the current period, the Company and its subsidiary has adopted financial reporting standards related to financial instruments and TFRS 16 which will have no effect to the retained earnings as at January 1, 2020 and no restatement to the comparative information.

6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

6.1 Financial Instrument

Classification and measurement

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows :

	Unit : Thousands Baht		
	Consolidated		
	Classification and measurement in accordance with TFRS 9		
	Carrying amounts under the former basis	Fair value through profit or loss	Amortized cost
Financial assets as at January 1, 2020			
Cash and cash equivalents	37,346	-	37,346
Trade accounts and other current receivable	188,506	-	188,506
Long - term loans to employees	921	-	921
Total	226,773	-	226,773
Financial liabilities as at January 1, 2020			
Short - term loans from financial institutions	109,500	-	109,500
Trade accounts and other current payable	118,638	-	118,638
Short - term loan from related company	200,000	-	200,000
Long - term loan from financial institution	260,966	-	260,966
Total	689,104	-	689,104

	Unit : Thousands Baht		
	Separate		
	Classification and measurement in accordance with TFRS 9		
	Carrying amounts under the former basis	Fair value through profit or loss	Amortized cost
Financial assets as at January 1, 2020			
Cash and cash equivalents	25,539	-	25,539

Trade accounts and other current receivable	103,640	-	103,640
Long - term loans to employees	624	-	624
Total	129,803	-	129,803

6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

6.1 Financial Instrument (Con't)

	Unit : Thousands Baht		
	Separate		
	Classification and measurement in accordance with TFRS 9		
	Carrying amounts under the former basis	Fair value through profit or loss	Amortized cost
Financial liabilities as at January 1, 2020			
Short - term loans from financial institutions	40,000	-	40,000
Trade accounts and other current payable	63,184	-	63,184
Total	103,184	-	103,184

Financial assets and financial liabilities which measured at amortize cost is closed to fair value.

6.2 Leases

Upon the first time adoption of TFRS 16, the Company and its subsidiary recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rates as at January 1, 2020. The weighted-average interest rate implicit in the lease applied to the lease liabilities is 4%.

The measurement of lease liabilities at the January 1, 2020 are as follow :

	Unit : Thousands Baht	
	Consolidated	Separate
Operating lease commitments as at December 31, 2019	3,899	2,450
<u>Less</u> Short - term leases and leases of low-value assets	(391)	(182)
<u>Less</u> Canceled lease	(439)	(439)
<u>Less</u> Deferred interest	(169)	(88)
Increase in lease liabilities due to TFRS 16 adoption	2,900	1,741
Liabilities under finance lease agreements as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	2,900	1,741

Comprised of :

Current lease liabilities	1,074	742
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Non - current lease liabilities	1,826	999
Total	2,900	1,741

6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

6.2 Leases (Con't)

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarized below :

	Unit : Thousands Baht	
	Consolidated	Separate
Office equipments	1,159	-
Vehicles	1,741	1,741
Total right-of-use assets	2,900	1,741

Impact on the financial information

The adoption of Thai Financial Reporting Standard No. 16 has impact to the Company and its subsidiary's statement of financial position as of January 1, 2020, are as follows :

	Unit : Thousands Baht		
	Consolidated		
	Adjustment		
	The previous accounting policies	Thai Financial Reporting Standard No. 16	After adjustment

STATEMENT OF FINANCIAL POSITION

Non - current assets

Right-of-use assets	-	2,900	2,900
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Current portion of lease liabilities	-	1,074	1,074
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Non - current liabilities

Lease liabilities - net	-	1,826	1,826
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6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

6.2 Leases (Con't)

	Unit : Thousands Baht		
	Separate		
	Adjustment		
	The previous accounting policies	Thai Financial Reporting Standard No. 16	After adjustment
STATEMENT OF FINANCIAL POSITION			
<u>Non - current assets</u>			
Right-of-use assets	-	1,741	1,741
LIABILITIES AND SHAREHOLDERS' EQUITY			
<u>Current liabilities</u>			
Current portion of lease liabilities	-	742	742
<u>Non - current liabilities</u>			
Lease liabilities - net	-	999	999

7. 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	Relationship	Operation		Percentage of Holding	
		Type of business	Location	Jun 30, 2020	Dec 31, 2019
Oji Holdings Corporation Co., Ltd.	1	Management	Japan	-	-
Sahakij Packaging Co., Ltd.	2	Produce and sell packaging production	Thailand	100	100
Kyokuyo Pulp & Paper Co., Ltd.	3	Trading	Japan	-	-
Oji Industrial Materials Management Co., Ltd.	3	Management	Japan	-	-
GS Paperboard & Packaging Sdn Bhd.	3	Produce and sell packaging products	Malaysia	-	-
Oji Fibre Solutions (NZ) Ltd.	3	Produce and sell paper and packaging products	New Zealand	-	-
Oji Paper (Thailand) Ltd.	3	Produce and sell paper products	Thailand	-	-

7. RELATED PARTY TRANSACTIONS (Con't)

The nature of relationship with the Company and its subsidiary and related companies are as follows :

1. The Company's parent company
2. Subsidiary
3. Subsidiary of the parent company
4. Indirect associated of the parent company

7.1 The significant transactions with related companies are as follows :

		Unit : Baht			
		For the three - month period ended June 30,			
		Consolidated		Separate	
Pricing policies		2020	2019	2020	2019
Parent company					
Guarantee fee	1	117,635.39	267,218.83	-	-
Subsidiary					
Sales income	2	-	-	78,568.40	129,195.74
Purchases	2	-	-	4,528,502.49	468,757.49
Other expenses	3	-	-	3,140.50	3,844.00
Related companies					
Sales income	2	70,145.00	87,915.00	-	-
Purchases	2	90,885,560.91	74,637,696.56	48,846,652.14	26,882,930.26
Management fees	3	-	147,832.35	-	147,832.35
Interest expense	4	852,657.53	-	-	-

		Unit : Baht			
		For the six - month period ended June 30,			
		Consolidated		Separate	
Pricing policies		2020	2019	2020	2019
Parent company					
Guarantee fee	1	265,264.67	564,614.69	-	48,821.90
Subsidiary					
Sales income	2	-	-	159,478.40	174,210.74
Other income	2	-	-	19,932.50	-
Purchases	2	-	-	9,660,997.77	1,105,449.84
Other expenses	3	-	-	3,140.50	3,844.00
Related companies					
Sales income	2	146,265.00	271,706.80	-	-

Purchases	2	172,327,272.95	165,813,175.52	106,204,186.10	72,539,896.04
Management fees	3	414,247.69	147,832.35	414,247.69	147,832.35
Interest expense	4	1,514,794.52	-	-	-

7. RELATED PARTY TRANSACTIONS (Con't)

7.1 The significant transactions with related companies are as follows : (Con't)

Pricing policies

- As stipulated in the Memorandum of the Guarantee Fee Agreement between Oji Holdings Corporation Company Limited with its subsidiary at the rate of 0.20% per annum of the outstanding loan balance at each quarter.
- Market price
- Actual price
- Interest rate at 1.14 per annum

Management's benefit expenses

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

	Unit : Baht			
	For the three - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
Short - term benefits	5,386,840.80	5,340,059.81	3,754,559.12	3,476,879.99
Post - employment benefits	115,105.00	1,669,338.00	88,679.00	1,268,870.00
Total	5,501,945.80	7,009,397.81	3,843,238.12	4,745,749.99

	Unit : Baht			
	For the six - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
Short - term benefits	12,000,228.70	10,278,876.93	8,743,319.31	6,780,067.11
Post - employment benefits	243,055.00	1,784,221.00	177,355.00	1,339,696.00
Total	12,243,283.70	12,063,097.93	8,920,674.31	8,119,763.11

7. **RELATED PARTY TRANSACTIONS (Con't)**

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

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Trade accounts and other current receivable				
<u>Trade accounts receivable</u>				
Subsidiary	-	-	55,576.23	-
Related company	37,573.05	62,145.60	-	-
Total trade accounts receivable	<u>37,573.05</u>	<u>62,145.60</u>	<u>55,576.23</u>	<u>-</u>
<u>Other receivable</u>				
Related company	-	1,535.02	-	1,535.02
<u>Advance payment</u>				
Related company	-	7,360.00	-	-
Total trade accounts and other current receivable	<u>37,573.05</u>	<u>71,040.62</u>	<u>55,576.23</u>	<u>1,535.02</u>
Trade accounts and other current payable				
<u>Trade accounts payable</u>				
Subsidiary	-	-	2,722,412.33	1,787,204.64
Related companies	76,745,313.29	53,515,829.46	41,853,566.57	34,441,796.28
Total trade accounts payable	<u>76,745,313.29</u>	<u>53,515,829.46</u>	<u>44,575,978.90</u>	<u>36,229,000.92</u>
<u>Other payable</u>				
Subsidiary	-	-	8,000.00	8,000.00
<u>Accrued expenses</u>				
Parent company	116,786.07	161,705.77	-	-
Total trade accounts and other current payable	<u>76,862,099.36</u>	<u>53,677,535.23</u>	<u>44,583,978.90</u>	<u>36,237,000.92</u>

7. **RELATED PARTY TRANSACTIONS (Con't)**

7.2 The outstanding balances of accounts with related companies are as follows : (Con't)

Short-term loan from related company

The movement of short-term loans from related company is as follows :

	Unit : Baht	
	Consolidated	
	Jun 30, 2020	Dec 31, 2019
Beginning balance for the period/year	200,000,000.00	-
<u>Add</u> Increase during the period/year	100,000,000.00	200,000,000.00
Ending balance for the period/year	<u>300,000,000.00</u>	<u>200,000,000.00</u>

As at June 30, 2020 and December 31, 2019, the subsidiary has loans from related company in respect of loan agreement which were due on demand charged interest at the rate of 1.14% and 1.46% per annum respectively.

Other matters

The ultimate parent company has guaranteed it's subsidiary's facilities of Baht 700 million.

8. **TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE - NET**

Trade accounts and other current receivable consist of :

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
<u>Trade accounts and notes receivable</u>				
Note receivables	564,246.10	1,658,985.37	-	-
Trade account - Related company	37,573.05	62,145.60	55,576.23	-
- Other companies	221,354,226.18	184,176,182.18	127,274,148.51	101,823,431.56
Total	221,956,045.33	185,897,313.15	127,329,724.74	101,823,431.56
<u>Less</u> Allowance for expected credit losses	(4,998,607.85)	(4,998,607.85)	(3,321,911.87)	(3,321,911.87)
Trade accounts and note receivables - net	<u>216,957,437.48</u>	<u>180,898,705.30</u>	<u>124,007,812.87</u>	<u>98,501,519.69</u>

8. **TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE – NET (Con't)**

Trade accounts and other current receivable consist of : (Con't)

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
<u>Others current receivable</u>				
Prepaid expense	6,390,488.36	3,676,387.49	2,816,503.30	2,263,141.35
Deposit of machinery	93,790.70	1,717,906.70	-	950,240.15
Receivable from the Revenue Department	629,939.64	648,094.51	629,939.64	648,094.51
Other receivable	732,849.58	862,476.20	663,359.50	862,476.20
Advance payment for goods	986,879.18	-	-	-
Advance payment	852,481.37	702,397.32	828,680.00	414,840.22
Total Others current receivable	9,686,428.83	7,607,262.22	4,938,482.44	5,138,792.43
Total Trade accounts and Other current receivable - net	226,643,866.31	188,505,967.52	128,946,295.31	103,640,312.12

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

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Accounts receivables not yet due	205,181,797.51	165,802,557.47	115,193,819.86	87,961,363.20
Accounts receivables over due				
Under or equal to 3 months	11,724,814.97	15,096,147.83	8,763,168.01	10,540,156.49
Over 3 months to 6 months	50,825.00	-	50,825.00	-
Over 6 months to 12 months	-	-	-	-
Over 12 months	4,998,607.85	4,998,607.85	3,321,911.87	3,321,911.87
Total	221,956,045.33	185,897,313.15	127,329,724.74	101,823,431.56
<u>Less</u> Allowance for expected credit losses	(4,998,607.85)	(4,998,607.85)	(3,321,911.87)	(3,321,911.87)
Trade accounts and note receivable - net	216,957,437.48	180,898,705.30	124,007,812.87	98,501,519.69

9. INVENTORIES - NET

Inventories are as follows :

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Finished goods	16,716,674.04	14,390,525.46	6,129,421.52	5,895,190.17
Work-in-process	20,531,340.03	14,952,780.67	4,900,548.47	2,377,497.75
Raw materials	125,645,997.79	120,567,071.19	58,592,738.36	46,863,357.28
Supplies and packing materials	5,178,127.88	4,293,607.89	2,771,197.06	2,163,979.10
Spare parts	8,567,621.78	8,094,296.01	7,254,579.19	6,271,878.22
Raw materials and spare parts in transit	8,540,461.47	8,896,467.83	8,540,461.47	7,119,359.97
Total	185,180,222.99	171,194,749.05	88,188,946.07	70,691,262.49
<u>Less</u> Allowance for obsolete goods	<u>(3,199,238.99)</u>	<u>(3,501,955.20)</u>	<u>(1,056,935.85)</u>	<u>(542,045.07)</u>
Total inventories - net	181,980,984.00	167,692,793.85	87,132,010.22	70,149,217.42

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

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Beginning balance for the period/year	3,501,955.20	1,494,216.10	542,045.07	-
<u>Add</u> Increase during the period/year	<u>787,724.91</u>	<u>2,812,348.65</u>	<u>787,724.91</u>	<u>542,045.07</u>
<u>Less</u> Reversal during the period/year	<u>(1,090,441.12)</u>	<u>(804,609.55)</u>	<u>(272,834.13)</u>	<u>-</u>
Ending balance for the period/year	3,199,238.99	3,501,955.20	1,056,935.85	542,045.07

10. INVESTMENT IN SUBSIDIARY

Investment in subsidiary is as follows :

Company	Unit : Baht							
	Paid - up (Million Baht)		Investment ownership (%)		Investment Separate Cost method		Dividend income for the six - month period ended	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Jun 30, 2019
	Subsidiary							
Sahakit Packaging Company Limited	600	600	100	100	500,100,399.40	500,100,399.40	-	-

11. PROPERTY, PLANT AND EQUIPMENT - NET

Movements of the property, plant and equipment for the six - month period ended June 30, 2020 are summarized below :

	Unit : Baht	
	Consolidated (Restated)	Separate
Net book value as at January 1, 2020	791,583,190.68	149,022,430.22
Acquisition during the period at cost	4,087,098.93	3,330,461.15
Disposals during the period at net book value at disposal date	(13.00)	(13.00)
Transfers deposit to fixed assets	1,165,790.15	950,240.15
Depreciation for the period	(28,323,906.97)	(6,567,193.25)
Net book value as at June 30, 2020	<u>768,512,159.79</u>	<u>146,735,925.27</u>

11.1 The Company and its subsidiary had acquired land, building and equipment by cash payment amounting to Baht 4.09 million for the consolidated financial statement and Baht 3.33 million for the separate financial statement.

11.2 The Company and its subsidiary have mortgaged their land and buildings and certain machinery with commercial banks as collaterals for their loans as described in Condensed Notes 15 to the interim financial information at cost amounting to Baht 648.71 million and carrying amounting to Baht 486.83 million for the consolidated financial statements (cost amounting to Baht 133.43 million and carrying amounting to Baht 89.00 million for the separate financial statements).

12. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets for the six - month period ended June 30, 2020 are summarized below :

	Unit : Baht	
	Consolidated	Separate
Net book value as at January 1, 2020	2,899,907.97	1,740,824.72
Depreciation for the period	(554,542.56)	(380,680.08)
Net book value as at June 30, 2020	<u>2,345,365.41</u>	<u>1,360,144.64</u>

13. INTANGIBLE ASSETS - NET

Movements of intangible assets for the six - month period ended June 30, 2020 are summarized below :

	Unit : Baht	
	Consolidated	Separate
Net book value as at January 1, 2020	3,923,853.92	1,348,934.82

Amortization for the period	(1,648,669.17)	(600,775.04)
Net book value as at June 30, 2020	<u>2,275,184.75</u>	<u>748,159.78</u>

14. DEFERRED TAX

Deferred tax assets and liability are as follows :

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Deferred tax assets	12,559,444.54	12,224,828.26	7,024,732.54	6,746,860.18
Deferred tax liability	(4,260,972.74)	(4,020,625.94)	(322,213.85)	(641,909.33)
Net	<u>8,298,471.80</u>	<u>8,204,202.32</u>	<u>6,702,518.69</u>	<u>6,104,950.85</u>

14.1 Movements in deferred tax assets and liability during the period were as follows :

	Unit : Baht		
	Consolidated		
	As at Jan 1, 2020	(Changed) Credit for the period to profit or loss	As at Jun 30, 2020
<u>Deferred tax assets</u>			
Trade accounts and other current receivable	986,211.62	-	986,211.62
Inventories	700,391.04	(60,543.24)	639,847.80
Provisions for employee benefit	9,902,843.60	395,159.52	10,298,003.12
Investment property	635,382.00	-	635,382.00
Total	<u>12,224,828.26</u>	<u>334,616.28</u>	<u>12,559,444.54</u>
<u>Deferred tax liability</u>			
Property, plant and equipment	(4,020,625.94)	(240,346.80)	(4,260,972.74)
Net	<u>8,204,202.32</u>	<u>94,269.48</u>	<u>8,298,471.80</u>

14. DEFERRED TAX (Con't)

14.1 Movements in deferred tax assets and liability during the period were as follows : (Con't)

	Unit : Baht		
	Separate		
	(Changed) Credit for		
	As at Jan 1, 2020	the period to profit or loss	As at Jun 30, 2020
<u>Deferred tax assets</u>			
Trade accounts and other current receivable	664,382.37	-	664,382.37
Inventories	108,409.00	102,978.16	211,387.16
Provisions for employee benefit	5,974,068.81	174,894.20	6,148,963.01
Total	6,746,860.18	277,872.36	7,024,732.54
<u>Deferred tax liability</u>			
Property, plant and equipment	(641,909.33)	319,695.48	(322,213.85)
Net	6,104,950.85	597,567.84	6,702,518.69

14.2 Income tax expenses for the period are as follows :

	Unit : Baht			
	For the three - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Current income tax</u>				
Corporate income tax charge for the period	3,341,854.20	1,486,711.72	3,341,854.20	1,486,711.72
<u>Deferred tax</u>				
Deferred tax expense (income)				
relating to the original and reversal				
of temporary differences	51,540.92	(2,230,882.46)	(265,364.73)	(1,508,455.41)
Income tax expense (income)	3,393,395.12	(744,170.74)	3,076,489.47	(21,743.69)

14. DEFERRED TAX (Con't)

14.2 Income tax expenses for the period are as follows : (Con't)

	Unit : Baht			
	For the six - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Current income tax</u>				
Corporate income tax charge for the period	5,106,433.57	2,933,862.19	5,106,433.57	2,933,862.19
<u>Deferred tax</u>				
Deferred tax expense (income)				
relating to the original and reversal				
of temporary differences	(94,269.48)	(2,247,214.02)	(597,567.84)	(1,773,874.25)
Income tax expense	<u>5,012,164.09</u>	<u>686,648.17</u>	<u>4,508,865.73</u>	<u>1,159,987.94</u>

15. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

Short - term loans from financial institutions consist of :

	Unit : Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
Promissory notes	1.20 - 1.45	1.95 - 2.45	<u>25,000,000.00</u>	<u>109,500,000.00</u>	<u>25,000,000.00</u>	<u>40,000,000.00</u>

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

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

16. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE

Trade accounts and other current payable consist of :

	Unit : Baht			
	Consolidated		Separate	
	Jun 30, 2020	Dec 31, 2019	Jun 30, 2020	Dec 31, 2019
<u>Trade accounts payable</u>				
Trade accounts payable - Related companies	76,745,313.29	53,515,829.46	44,575,978.90	36,229,000.92
- Other companies	52,416,360.25	48,992,073.04	27,470,163.27	18,314,058.89
Total trade accounts payable	129,161,673.54	102,507,902.50	72,046,142.17	54,543,059.81
<u>Other current payable</u>				
Other payable	5,556,713.94	4,930,715.54	4,715,332.62	3,991,416.89
Accrued expenses	11,719,429.87	8,654,674.71	4,463,815.74	3,101,516.39
Accrued bonus	10,119,406.72	-	6,062,467.99	-
Asset payable	-	1,514,321.77	-	1,184,219.28
Advance income	781,589.03	1,030,697.26	370,549.60	364,273.56
Total other current payable	28,177,139.56	16,130,409.28	15,612,165.95	8,641,426.12
Total trade accounts and others current payable	157,338,813.10	118,638,311.78	87,658,308.12	63,184,485.93

17. LONG - TERM LOAN FROM FINANCIAL INSTITUTIONS - NET

Long - term loan from financial institutions consist of :

	Unit : Baht	
	Consolidated	
	Jun 30, 2020	Dec 31, 2019
Beginning balance for the period/year	260,966,300.00	322,433,100.00
<u>Less</u> Paid during the period/year	(30,733,400.00)	(61,466,800.00)
Total	230,232,900.00	260,966,300.00
<u>Less</u> Current portion	(61,466,800.00)	(61,466,800.00)
Net	168,766,100.00	199,499,500.00

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

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

first payment in June 2014

18. LEASE LIABILITIES - NET

Lease liabilities consist of :

	Unit : Baht	
	Jun 30, 2020	
	Consolidated	Separate
Lease liabilities	2,483,500.00	1,429,500.00
<u>Less</u> Deferred interest	(115,005.12)	(55,907.17)
Total	2,368,494.88	1,373,592.83
<u>Less</u> Current portion	(1,095,193.99)	(756,831.49)
Lease liabilities - net	1,273,300.89	616,761.34

Movements of lease liabilities account during the six - month period ended June 30, 2020 was summarized below :

	Unit : Baht	
	Consolidated	Separate
Balance as at January 1, 2020	-	-
Adjustment from TFRS 16 adoption	2,899,907.97	1,740,824.72
Balance as at January 1, 2020 - adjusted	2,899,907.97	1,740,824.72
<u>Less</u> Payments during the period	(531,413.09)	(367,231.89)
Balance as at June 30, 2020	2,368,494.88	1,373,592.83

19. PROVISION FOR EMPLOYEE BENEFIT - NET

Movements of the present value of the provision for employee benefit for the six - month period ended June 30, 2020, consist of :

	Unit : Baht	
	Consolidated	Separate
Opening balance as at January 1, 2020	49,514,218.00	29,870,344.00
Current service cost	2,309,848.00	1,287,366.00
Interest cost	386,662.00	231,492.00
Employment benefit paid during the period	(720,712.35)	(644,387.00)
Ending balance as at June 30, 2020	51,490,015.65	30,744,815.00
<u>Less</u> Current portion	(1,364,914.00)	-
Provision for employee benefit - net	50,125,101.65	30,744,815.00

20. **RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION**

The Company have been granted investment promotion certificates from the Board of Investments in accordance with Investment Promotion Act, B.E. 2520. For the production of packaging products as follows :

Certificate no.	Approved date	Company's Name of Promotional Activities	The First Date
2186 (2)/2554	September 29, 2011	S. Pack & Print Plc.	October 2013
1218 (2)/2558	February 24, 2015	S. Pack & Print Plc.	February 2019

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. (Exemption for Certificate No.2186 (2)/2554 only)
4. Permission of deduction of investment in installation or construction of facilities at 25% in addition to its usual depreciation.

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

	Unit : Thousands Baht		
	Consolidated		
	For the six - month period ended June 30, 2020		
	Promoted business	Non - Promoted business	Total
Total revenues	153,814	460,650	614,464
Cost and expenses	(133,119)	(430,088)	(563,207)
Finance cost	(126)	(8,146)	(8,272)
Income tax	-	(5,012)	(5,012)
Net profit for the period	20,569	17,404	37,973
Other comprehensive income (loss)	-	-	-
Comprehensive income for the period	20,569	17,404	37,973

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

	Unit : Thousand Baht		
	Separate		
	For the six - month period ended June 30, 2020		
	Promoted business	Non - Promoted business	Total
Total revenues	153,814	181,962	335,776
Cost and expenses	(133,119)	(158,006)	(291,125)
Finance cost	(126)	(148)	(274)
Income tax	-	(4,509)	(4,509)
Net profit for the period	20,569	19,299	39,868
Other comprehensive income (loss)	-	-	-
Comprehensive income for the period	20,569	19,299	39,868

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

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

21. **BASIC EARNINGS (LOSS) PER SHARE**

Basis earnings (loss) per share for the period are calculated by dividing the net income 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 :

	For the three - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
Net profit (loss) attributable to ordinary shareholders of the Company (basis) (Unit : Baht)	27,262,809.26	(6,468,543.66)	26,460,947.21	6,220,200.25
Number of weighted average common shares (Unit : Share)	300,000,000	300,000,000	300,000,000	300,000,000
Basic earnings (loss) per share (Unit : Baht/Unit)	0.091	(0.022)	0.088	0.021

21. BASIC EARNINGS (LOSS) PER SHARE (Con't)

	For the six - month period ended June 30,			
	Consolidated		Separate	
	2020	2019	2020	2019
Net profit (loss) attributable to ordinary shareholders of the Company (basis) (Unit : Baht)	37,973,410.91	(5,488,409.39)	39,868,716.83	15,721,085.83
Number of weighted average common shares (Unit : Share)	300,000,000	300,000,000	300,000,000	300,000,000
Basic earnings (loss) per share (Unit : Baht/Unit)	0.127	(0.018)	0.133	0.052

22. OPERAING SEGMENTS

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

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

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

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

23. COMMITMENTS AND CONTINGENT LIABILITIESCommitment

23.1 The Company had commitment under purchase agreement of spare parts and machinery are as follows :

	Currency	Jun 30, 2020	Dec 31, 2019
The Company	USD	-	46,705

23. COMMITMENTS AND CONTINGENT LIABILITIES (Con't)

Contingent liabilities

23.2 The Company and its subsidiary had outstanding commitments with banks are as follows :

	Jun 30, 2020		Dec 31, 2019
	Baht	USD	Baht
<u>Letters of credit</u>			
Subsidiary	-	1,727	-
<u>Letters of guarantee</u>			
The Company	6,728,400.00	-	6,728,400.00
Subsidiary	6,700,000.00	-	6,700,000.00

23.3 The Company was in possession of commitments in respect of guaranteeing credit facilities of a subsidiary amounting to Baht 218 million.

24. CAPITAL MANAGEMENT

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

As at June 30, 2020 and December 31, 2019, debt-to-equity ratio in the consolidated financial statements was 1.63 : 1 and 1.70 : 1 respectively, and the separate financial statements was 0.23 : 1.

25. APPROVAL OF FINANCIAL STATEMENT

These interim financial statements have been approved by the Company's Board of Directors on August 13, 2020.