

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

**To The Shareholders and Board of Directors of SABINA PUBLIC COMPANY LIMITED**

### **Opinion**

I have audited the consolidated financial statements of Sabina Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Sabina Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2017, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Sabina Public Company Limited and its subsidiaries and of Sabina Public Company Limited as of December 31, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

#### **Presentation of inventories valuation (the consolidate and separated financial statements)**

As describe in note 2.5 and note 7 to the financial statement, the Group has significant amount of inventories which stated at the lower of cost and net realizable value. Most of inventories aging are not long, due to main business of the Group is manufacturing and distribute ready-made clothes, which the main products are underwear. And the management used information from inventories aging analysis report and individual obsolete stock analysis report to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

#### **My Audited Procedures to the Key Audit Matters**

I assessed and tested the internal control related to the calculation of inventories cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliant of the allowance for inventories declining value to the policy. Including test the

calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of information disclosure related to the measurement of inventories.

#### **Other matter**

The Consolidated financial statements of Sabina Public Company Limited and its subsidiaries and the Separate financial statement for the year ended December 31, 2016, as presented herein for comparative purposes were audited by another auditor in my office, in accordance with auditing standards, and expressed an unqualified opinion on those statements in her report dated February 23, 2017.

#### **Other Information**

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(CHAIYUTH ANGSUWITHAYA)  
Certified Public Accountant  
Registration No. 3885

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 23, 2018

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	43,886,712.04	40,930,991.20	14,079,819.03	8,172,219.35
Temporary Investment					
- Mutual funds	5.1	369,438,913.05	55,870,733.92	369,438,913.05	55,870,733.92
- Available-for-sale securities	5.2	55,125,000.00	60,900,000.00	55,125,000.00	60,900,000.00
Trade receivables and other receivables					
Trade receivable - net					
- Related parties	3.1	-	-	286,789,335.44	345,138,458.81
- Other parties	6	341,980,008.84	314,482,704.55	487,388.72	4,180,329.84
Other receivables		8,568,897.84	4,345,894.47	449,636.37	654,437.04
Short-term loan to related party	3.2	-	-	178,000,000.00	415,000,000.00
Inventories - net	7	975,636,107.61	1,151,156,040.59	113,456,511.01	114,708,888.78
Other current assets					
Prepaid output VAT		72,850,630.80	76,396,500.79	-	-
Others		1,950,768.14	1,660,107.50	219,998.54	258,332.07
Total current assets		1,869,437,038.32	1,705,742,973.02	1,018,046,602.16	1,004,883,399.81
NON-CURRENT ASSETS					
Investment in subsidiary company	1.5	-	-	144,849,500.00	144,849,500.00
Long-Term Investments	8	5,000,000.00	-	5,000,000.00	-
Property, plant and equipment - net	9	283,457,730.79	305,698,652.72	70,938,416.06	79,355,784.91
Intangible asset	10	3,549,419.40	4,565,017.18	49.00	49.00
Deferred tax assets	18.4	162,362,925.12	154,851,110.72	19,934,690.00	17,196,692.40
Others non-current assets					
Leasehold right - net	11	17,610,161.61	21,778,376.74	-	-
Deposit		45,831,927.78	45,394,783.52	170,590.00	173,590.00
Total non-current assets		517,812,164.70	532,287,940.88	240,893,245.06	241,575,616.31
TOTAL ASSETS		2,387,249,203.02	2,238,030,913.90	1,258,939,847.22	1,246,459,016.12

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	12	18,000,000.00	108,000,000.00	-	-
Trade payables and other payables					
Trade payable					
- related parties	3.3	-	-	3,142,343.91	2,072,446.16
- other parties		152,750,172.60	131,500,727.72	70,431,492.47	69,195,479.34
Other payables	13	175,064,415.19	124,239,093.40	60,888,083.61	40,898,969.12
Other current liabilities					
Accrued income tax		39,259,175.80	26,663,525.52	10,390,153.48	11,712,675.13
Others		18,661,668.25	17,599,800.17	2,782,851.22	3,406,247.16
Total current liabilities		403,735,431.84	408,003,146.81	147,634,924.69	127,285,816.91
NON-CURRENT LIABILITIES					
Employees' benefit obligation	14	81,696,070.00	69,570,365.00	52,038,450.00	44,123,462.00
Employees' deposit		6,455,000.00	6,318,000.00	55,000.00	56,000.00
Total non-current liabilities		88,151,070.00	75,888,365.00	52,093,450.00	44,179,462.00
Total liabilities		491,886,501.84	483,891,511.81	199,728,374.69	171,465,278.91

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## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

NOTE	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - Par value Baht 1 each	15			
Authorized share capital				
Common share 347,500,000 shares of Baht 1 each	347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Issued and paid - up share capital				
Common share 347,500,000 shares of Baht 1 each	347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Premium on share capital	275,164,000.00	275,164,000.00	275,164,000.00	275,164,000.00
Retained earnings				
Appropriated – legal reserve	16	49,250,000.00	49,250,000.00	34,750,000.00
Unappropriated		1,067,468,182.02	921,624,882.93	448,252,472.53
Total other components of equity		155,980,519.16	160,600,519.16	(46,455,000.00)
Total equity of the Parent		1,895,362,701.18	1,754,139,402.09	1,059,211,472.53
Non-controlling interests		-	-	-
Total shareholders' equity		1,895,362,701.18	1,754,139,402.09	1,059,211,472.53
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,387,249,203.02</b>	<b>2,238,030,913.90</b>	<b>1,258,939,847.22</b>

*The accompanying notes to financial statements are an integral part of these financial statements.*

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 CONSOLIDATED FINANCIAL STATEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	NOTE	Retained earnings				Other components of equity						
		Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Net book value of subsidiary company which exceed cost of investment ( Note 1.5 )	Others		Total Other components of equity	Total Equity of the Parent	Non Controlling Interests	Total Shareholders' Equity
							Comprehensive Income					
							Gain (loss) from valuation of available-for-sale investment	Gain (loss) on actuarial estimates.				
Balance as of January 1, 2016		347,500,000.00	275,164,000.00	49,250,000.00	818,933,829.23	202,435,519.16	(29,755,000.00)	-	172,680,519.16	1,663,528,348.39	-	1,663,528,348.39
Changes in shareholders' equity for the year												
Total comprehensive income (loss) for the year		-	-		175,666,053.70	-	(12,080,000.00)	-	(12,080,000.00)	163,586,053.70	-	163,586,053.70
Dividend Paid	17	-	-		(72,975,000.00)	-	-	-	-	(72,975,000.00)	-	(72,975,000.00)
Balance of December 31, 2016		<u>347,500,000.00</u>	<u>275,164,000.00</u>	<u>49,250,000.00</u>	<u>921,624,882.93</u>	<u>202,435,519.16</u>	<u>(41,835,000.00)</u>	<u>-</u>	<u>160,600,519.16</u>	<u>1,754,139,402.09</u>	<u>-</u>	<u>1,754,139,402.09</u>
Balance as of January 1, 2017		347,500,000.00	275,164,000.00	49,250,000.00	921,624,882.93	202,435,519.16	(41,835,000.00)	-	160,600,519.16	1,754,139,402.09	-	1,754,139,402.09
Changes in shareholders' equity for the year												
Total comprehensive income (loss) for the year		-	-	-	243,143,299.09	-	(4,620,000.00)	-	(4,620,000.00)	238,523,299.09	-	238,523,299.09
Dividend Paid	17	-	-	-	(97,300,000.00)	-	-	-	-	(97,300,000.00)	-	(97,300,000.00)
Balance as of December 31, 2017		<u>347,500,000.00</u>	<u>275,164,000.00</u>	<u>49,250,000.00</u>	<u>1,067,468,182.02</u>	<u>202,435,519.16</u>	<u>(46,455,000.00)</u>	<u>-</u>	<u>155,980,519.16</u>	<u>1,895,362,701.18</u>	<u>-</u>	<u>1,895,362,701.18</u>

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
SEPARARATE FINANCIAL STATEMENT  
FOR THE YEAR PERIOD ENDED DECEMBER 31, 2017

BAHT

	NOTE	BAHT						
		Retained earnings				Other components of equity		
		Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Comprehensive Income		Total Shareholders' Equity
						Gain (loss) from valuation of available-for-sale investment	Gain (loss) on actuarial estimates	
Balance as of January 1, 2016		347,500,000.00	275,164,000.00	34,750,000.00	436,392,001.80	(29,755,000.00)	-	1,064,051,001.80
Changes in shareholders' equity for the year								
Total comprehensive income (loss) for the year		-	-	-	95,997,735.41	(12,080,000.00)	-	83,917,735.41
Dividend Paid	17	-	-	-	(72,975,000.00)	-	-	(72,975,000.00)
Balance as of December 31, 2016		347,500,000.00	275,164,000.00	34,750,000.00	459,414,737.21	(41,835,000.00)	-	1,074,993,737.21
Balance as of January 1, 2017		347,500,000.00	275,164,000.00	34,750,000.00	459,414,737.21	(41,835,000.00)	-	1,074,993,737.21
Changes in shareholders' equity for the year								
Total comprehensive income (loss) for the year		-	-	-	86,137,735.32	(4,620,000.00)	-	81,517,735.32
Dividend Paid	17	-	-	-	(97,300,000.00)	-	-	(97,300,000.00)
Balance as of December 31, 2017		347,500,000.00	275,164,000.00	34,750,000.00	448,252,472.53	(46,455,000.00)	-	1,059,211,472.53

*The accompanying notes to financial statements are an integral part of these financial statements.*

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
NOTE		2017	2016	2017	2016
<b>REVENUES</b>					
	Revenues from sales - net	2,659,018,934.74	2,382,913,336.13	722,639,694.43	760,851,318.78
	Revenues from services	3,662,250.00	-	35,785,030.00	29,468,125.00
	Other incomes	16,442,913.02	14,125,348.81	21,369,484.53	21,566,352.76
	Total Revenues	3.4 2,679,124,097.76	2,397,038,684.94	779,794,208.96	811,885,796.54
<b>EXPENSES</b>					
	Cost of sales and services	1,307,108,300.06	1,125,003,096.94	589,111,665.62	611,580,739.17
	Selling expenses	836,556,350.31	832,991,667.93	2,715,933.42	2,083,904.71
	Administrative expenses	230,198,275.84	217,900,379.70	81,029,098.60	81,689,059.90
	Financial expenses	1,450,675.41	3,268,468.01	-	-
	Total Expenses	3.4 2,375,313,601.62	2,179,163,612.58	672,856,697.64	695,353,703.78
	PROFIT BEFORE INCOME TAX	303,810,496.14	217,875,072.36	106,937,511.32	116,532,092.76
	INCOME TAX EXPENSE	18.1 , 18.3 (60,667,197.05)	(42,209,018.66)	(20,799,776.00)	(20,534,357.35)
	PROFIT FOR THE YEARS	243,143,299.09	175,666,053.70	86,137,735.32	95,997,735.41
Net income attributable to :					
	Equity holders of the parent	243,143,299.09	175,666,053.70	86,137,735.32	95,997,735.41
	Non - controlling interests	-	-	-	-
		243,143,299.09	175,666,053.70	86,137,735.32	95,997,735.41
<b>BASIC EARNINGS PER SHARE</b>					
	Earnings (loss) per share (Baht)	0.70	0.51	0.25	0.28
	Number of weighted average common shares (shares)	347,500,000	347,500,000	347,500,000	347,500,000

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	B A H T			
	Consolidated Financial Statement		Separarate Financial Statement	
	For the year ended December 31		For the year ended December 31	
	2017	2016	2017	2016
PROFIT FOR THE YEAR	243,143,299.09	175,666,053.70	86,137,735.32	95,997,735.41
Other comprehensive income;				
<i>Item that will be reclassified subsequently to profit or loss :</i>				
Gain (loss) from valuation of - available-for-sale investment	(5,775,000.00)	(15,100,000.00)	(5,775,000.00)	(15,100,000.00)
Income tax related to other components of equity				
- valuation of available-for-sale investment	1,155,000.00	3,020,000.00	1,155,000.00	3,020,000.00
Other comprehensive income - for the year - net of tax	(4,620,000.00)	(12,080,000.00)	(4,620,000.00)	(12,080,000.00)
Total comprehensive income for the year	238,523,299.09	163,586,053.70	81,517,735.32	83,917,735.41
Total comprehensive income attributable to :				
Equity holders of the parent	238,523,299.09	163,586,053.70	81,517,735.32	83,917,735.41
Non - controlling interests	-	-	-	-
	238,523,299.09	163,586,053.70	81,517,735.32	83,917,735.41

*The accompanying notes to financial statements are an integral part of these financial statements.*

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

		B A H T			
		Consolidated Financial Statement		Separarate Financial Statement	
		For the year ended December 31		For the year ended December 31	
NOTE		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES :					
Net profit		243,143,299.09	175,666,053.70	86,137,735.32	95,997,735.41
Adjustments to reconcile net profit to net cash proceed (paid)					
Depreciation	9	49,742,139.70	54,212,678.44	10,453,518.88	11,263,510.06
Amortization	10 , 11	5,868,212.91	5,887,015.69	-	-
Employees' benefits obligation	14	14,478,144.00	13,260,563.34	8,505,168.00	7,632,500.00
Loss (gain) from disposal of property		(1,896,658.57)	(777,677.64)	(1,265,442.72)	(739,029.31)
Unrealised (gain) loss on exchange rate		(105,355.23)	344,419.23	(26,943.44)	54,024.10
Interest expenses		1,450,675.41	3,268,468.01	-	-
Current tax expense	18.1	67,024,011.45	54,615,774.26	22,382,773.60	21,385,797.35
Deferred tax expense (income)	18.1	(6,356,814.40)	(12,406,755.60)	(1,582,997.60)	(851,440.00)
(Increase) decrease in trade receivable - related parties		-	-	58,349,123.37	(75,309,477.23)
(Increase) decrease in trade receivable - other parties		(27,497,304.29)	10,666,865.26	3,692,941.12	(3,438,274.02)
(Increase) decrease in other receivable		(2,509,379.21)	6,110,655.86	1,220,215.66	2,174,382.56
(Increase) decrease in inventories		175,519,932.98	(3,563,651.66)	1,252,377.77	648,009.20
(Increase) decrease in other current assets		3,216,037.02	(3,826,166.38)	38,333.53	42,847.11
(Increase) decrease in other non-current assets		(437,144.26)	(2,261,555.00)	3,000.00	35,000.00
Increase (decrease) in trade payables - realted party		-	-	1,069,897.75	74,289.36
Increase (decrease) in trade payables - other parties		21,354,800.16	8,517,707.33	1,262,956.58	2,349,583.79
Increase (decrease) other payables		50,806,856.03	15,276,625.80	19,989,114.49	8,336,993.04
Increase (decrease) in other current liabilities - others		1,061,868.08	1,647,523.02	(623,395.94)	224,588.90
Others non-current liabilities					
- Increase (decrease) in employees' benefit obligation	14	(2,352,439.00)	(4,725,880.34)	(590,180.00)	(3,375,300.00)
- Increase (decrease) in - Employee deposit		137,000.00	952,500.00	(1,000.00)	38,000.00
Net cash received (paid) from operation		592,647,881.87	322,865,163.32	210,267,196.37	66,543,740.32
Payment of interest expenses		(1,432,209.65)	(3,211,221.44)	-	-
Payment of Corporate income tax		(56,102,813.05)	(48,825,464.61)	(24,720,710.25)	(16,411,521.97)
Net cash provided by (Used in) operating activities		535,112,859.17	270,828,477.27	185,546,486.12	50,132,218.35

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

		B A H T			
		Consolidated Financial Statement		Separarate Financial Statement	
		For the year ended December 31		For the year ended December 31	
NOTE		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES :					
	Cash proceed (paid) on sales (purchase)				
	- for temporary investment	5.1	(313,568,179.13)	(56,249,668.31)	(313,568,179.13)
	Cash paid for long-term investment	8.0	(5,000,000.00)	-	(5,000,000.00)
	Cash paid for short-term loan to subsidiary	3.2	-	-	237,000,000.00
	Acquisition of property, plant and equipment	9	(27,561,072.37)	(29,858,727.80)	(2,036,295.03)
	Cash received from sales of property and equipment		1,956,513.17	796,399.70	1,265,587.72
	Acquisition of intangible assets		(684,400.00)	-	-
	Net cash provide by (Used in) investing activities		(344,857,138.33)	(85,311,996.41)	(82,338,886.44)
CASH FLOWS FROM FINANCING ACTIVITIES					
	Dividend Paid	17	(97,300,000.00)	(72,975,000.00)	(97,300,000.00)
	Bank overdrafts and short-term loans received from				
	- financial institutions increase(decrease)		(90,000,000.00)	(111,000,000.00)	-
	Net Cash Provided by (Used in) Financing Activities		(187,300,000.00)	(183,975,000.00)	(97,300,000.00)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET			2,955,720.84	1,541,480.86	5,907,599.68
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		4	40,930,991.20	39,389,510.34	8,172,219.35
CASH AND CASH EQUIVALENTS, END OF YEAR		4	43,886,712.04	40,930,991.20	14,079,819.03

*The accompanying notes to financial statements are an integral part of these financial statements.*

(Signed).....Director

(Signed).....Director

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**1. GENERAL INFORMATION**

**1.1 General matter**

SABINA PUBLIC COMPANY LIMITED (Formerly J & D Apparel Company Limited) was incorporated as a limited company under the Civil and Commercial Code on August 17, 1995, and changed its status to a Public Company Limited under the Public Company Limited Act and changed its name to be SABINA PUBLIC COMPANY LIMITED on May 18, 2007. The address of the head office is 177 Moo 8, Wang kaituen Sub-district, Han- ka District, Chai-nart Province. There is a plant as its branch at 236 Moo 10, Doo Tung Sub-district, Mueng District, Yasothon Province. The company gets privilege in investment promotion from The Board of Investment. On December 28, 2010, the company established two factory's branches which located at 81 and 106 Moo 6, Nhong-Boht Sub-district, Nang-Rong District, Burirum province The company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

SABINA FAREAST COMPANY LIMITED which is a subsidiary, was incorporated as a limited company under the Civil and Commercial Code on January 11, 1977. The address of the head office is 12 Arun-Amarin Road ,Arun-Amarin Sub-district, Bangkok Noi District, Bangkok Province. There are plants, which Ta Pra plant located at 93/8 Soi Pet Ka Seam 7, Pet Ka Seam Road, TA PA Sub-district, Bangkok Yai District, Bangkok Province, and Budhamonthon Soi 5 plant located at Rai Keing Sub-district, Sam Pran District, Nakhonpathom Province. The subsidiary company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

## **1.2 Basis for preparation of financial statements**

The company's financial statements have been prepared in accordance with financial reporting standards including guidelines promulgated by the Federation of Accounting Professional

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

An English language version of the financial statements has been prepared from the financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

## **1.3 Basis for preparation of consolidated of financial statements**

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabina Fareast Company Limited, its subsidiary, which 99.90 % of share hold by the Company (treated 100% in the consolidate preparation), and being under common controls with the Company. For the purpose of the consolidation, all significant inter-company transactions and all inter-company account balances have been eliminated.

## **1.4 Related parties**

Enterprises that directly or indirectly control by the Company, or are under common shareholders/director controls are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiary</u>			
- Sabina Fareast Co., Ltd.	Producing and distributing ready made clothes and lady's underwear	Shares holding and joint directors	99.90%

## **1.5 Restructure of company and its subsidiary's shareholders structure**

In March 2007, the Company acquired 448,495 shares of a subsidiary's capital shares from its existing shareholder, who is the related parson, at par value of Baht 100 per share, while the book value of the share as of December 31, 2006 is approximately Baht 247.29 million and booked as investment in subsidiary amounting to Baht 44.85 million, which equivalent to 99.67% of share holding in the subsidiary. Since January 1, 2007, in preparation of consolidated financial statement, the Company assumed that its interest in the subsidiary is equivalent to 100.00%. The Company has presented the difference of Baht 202.44 million, between book value of the subsidiary company of Baht 247.29 million and cost of the investment of Baht 44.85 million as "net book value of subsidiary company which exceed cost of investment" in shareholders' equity of consolidated financial statements.

Subsequently, in April 2007 the subsidiary has increased its registered capital for another Baht 100 million. The Company bought for the whole increased capital of subsidiary of 1 million shares at par value of Baht 100 per share, totaling of Baht 100 million. As a result, the company's investment in subsidiary increased from Baht 44.85 million to Baht 144.85 million. There for the proportion of shareholding in the subsidiary increased to be 99.99%.

## **1.6 Adoption of new financial reporting standards**

### **1.6.1 Financial reporting standards which are effective for the current year**

During the period, the Company and its subsidiaries adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2017. Adoption of the above financial reporting standards in the current period does not have material effect on the financial statements.

### **1.6.2 Financial reporting standards which are not effective for the current year**

During the year, the Federation of Accounting Professions has issued the revised and new accounting standard, financial reporting standards, accounting standard interpretation and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2018 as follows:

#### **Accounting Standard**

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

- TAS 34 Interim Financial Reporting (revised 2017)
- TAS 36 Impairment of Assets (revised 2017)
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2017)
- TAS 38 Intangible Assets (revised 2017)
- TAS 40 Investment Property (revised 2017)
- TAS 41 Agriculture (revised 2017)

**Financial Reporting Standard**

- TFRS 2 Share - Based Payments (revised 2017)
- TFRS 3 Business Combinations (revised 2017)
- TFRS 4 Insurance Contracts (revised 2017)
- TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2017)
- TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2017)
- TFRS 8 Operating Segments (revised 2017)
- TFRS 10 Consolidated Financial Statements (revised 2017)
- TFRS 11 Joint Arrangements (revised 2017)
- TFRS 12 Disclosure of Interests in Other Entities (revised 2017)
- TFRS 13 Fair Value Measurement (revised 2017)

**Accounting Standard Interpretations**

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

**Financial Reporting Standard Interpretations**

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2017)
- TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2017)
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2017)
- TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2017)  
Financial Reporting in Hyperinflationary Economies (revised 2017)
- TFRIC 10 Interim Financial Reporting and Impairment (revised 2017)
- TFRIC 12 Service Concession Arrangements (revised 2017)
- TFRIC 13 Customer Loyalty Programs (revised 2017)
- TFRIC 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset,  
Minimum Funding Requirements and their Interaction (revised 2017)

TFRIC 15 Agreements for the Construction of Real Estate (revised 2017)

TFRIC 17 Distributions of Non-Cash Assets to Owners (revised 2017)

TFRIC 18 Transfers of Assets from Customers (revised 2017)

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017)

TFRIC 21 Levies (revised 2017)

The management of the Company has assessed that TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TSA 27, TAS 33, TAS 34, TAS 36, TAS 37, TSA 38 and TFRS 8, TFRS 10 and TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company has significant accounting policies as follows:-

### **2.1 Revenue and expense recognition**

Income from Sales are recognized when the significant risks and reward of ownership of products is transferred to the buyer.

Income from Service is recognized when services are rendered.

### **2.2 Cash and cash equivalents**

Cash and cash equivalents presented in the statement of cash flows consist of cash on hand, and banks saving and current deposits with an original maturity of three months or less.

### **2.3 Temporary investment**

Investment which the Company intend to held less than one year period, consists of investment Mutual fund, Trading security, Available-for-sale security, other investment, debts instrument due within one year.

Investment in trading security and mutual fund are presented in fair value. Change in the value of the investments is recorded as gain or loss in the statements of income.

Investment in available-for-sale security is presented in fair value. Change in the value of the investments is recorded as premium on share capital in shareholders' equities.

Fair value of the marketable securities is calculated from the latest bidding price of the securities on the last working day of the year of the Stock Exchange of Thailand.

If the category of investment is changed, the Company will adjust the value of the investment using fair value of the changed date. Differences between the book value and fair value on the changed date is recorded as gain or loss in the statements of income or recorded as capital premium or (deficit) from change in value of shareholders' equities depends on type of the investment that is changed.

### **2.4 Allowance for doubtful accounts**

Allowance for doubtful accounts is estimated based on those receivables that might be un-collectible. The estimation is based upon the experience and the current status of existing receivables.

2.5 Inventories

Inventories, working process and raw material are stated at the lower of cost (FIFO) or net realizable value.

Company has estimated amount of inventory impairment or inventory obsolete to be expenses by considering of the condition of inventories and trend of consumer preference.

2.6 Investments in subsidiary

Investments in subsidiary, which is the companies in which 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, has been consolidated. Subsidiary is consolidated from the date on which effective control is transferred to the Group and is no longer consolidated from the date of disposal. All inter-company transactions, balances and unrealized gains (losses) on transactions between group companies have been eliminated.

Investment in subsidiary (in the Separate financial statements) is stated at the cost method.

2.7 Property, plant and equipments

Lands and land improvements are stated at cost.

Building, building improvement and equipment stated at cost less accumulated depreciation.

Depreciation is computed by the straight-line method over the estimated useful life as follows;

	Year
Building and building improvement	20
Machinery and equipment	10
Computer equipment	3
Fixture, equipment and furniture	5
Vehicles	5

2.8 Foreign currency transactions

Transactions in foreign currencies are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of period are converted at average (buying and selling) rate that Bank of Thailand announce at date of statement of financial position. Gain or loss from conversion is included in the Statements of Income.

2.9 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to business combination or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities at the reporting date and tax base of the relating assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.10 Employees benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law is recognized as expenses in the income statement along the service period of employees. The Company's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

2.11 Accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

2.12 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of issued and paid-up of common shares at the end of accounting period.

### 3. RELATED PARTY TRANSACTIONS

The Company had certain accounting transactions with its subsidiary and related persons, which were considered as a normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets and liabilities, accounting and business transactions with subsidiary and related person presented in the statements of financial position as of December 31, 2017 and 2016 are as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	Dec-31, 2017	Dec-31, 2016	Dec-31, 2017	Dec-31, 2016
<b>ASSETS</b>				
<b>3.1 Trade Receivable</b>				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	286,879,335.44	345,138,458.81
Less : Allowance for doubtful account	-	-	-	-
Trade receivable – Related parties net	-	-	286,879,335.44	345,138,458.81

The outstanding balance of above trade receivable is undue amount.

### 3.2 Short-term loan to related party

Movement of short - term loan to related party is as follows;

	Baht			
	Balance As of	Increase	Decrease	Balance As of
	December 31, 2016			December 31, 2017
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	415,000,000.00	97,000,000.00	334,000,000.00	178,000,000.00
	415,000,000.00	97,000,000.00	334,000,000.00	178,000,000.00

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Liability</b>				
<b>3.3 Account Payable</b>				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	3,142,343.91	2,072,446.16
Accounts payable – Related parties	-	-	3,142,343.91	2,072,446.16

**3.4 Related party transactions** for the year ended December 31, 2017 and 2016 are as follows:

	BAHT				Transfer
	Consolidated Financial Statement		Separate Financial Statement		Pricing
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	Policy
<b><u>Subsidiary company</u></b>					
Sales of finished goods	-	-	681,675,105.00	617,342,746.00	Contract price
Sawing service cost	-	-	35,785,030.00	52,222,916.00	"
Purchase of raw materials	-	-	13,617,413.45	8,823,735.67	"
Rent of office space and warehouse	-	-	1,944,000.00	1,944,000.00	"
Cutting service cost	-	-	15,862,284.43	8,962,164.84	"
Interest income	-	-	11,782,662.78	14,141,895.54	"

**3.5 MANAGEMENT REMUNERATIONS**

Management remunerations consist of salary, bonus, director attendance fee etc.

Management remuneration for the year ended December 31, 2017 and 2016 as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2017	2016	2017	2016
Benefits – Short-term	37,862,582.10	40,027,179.96	37,862,582.10	40,027,179.96
Benefits – After retirement	2,112,241.00	2,023,679.00	2,112,241.00	2,023,679.00
Benefits – Long-term	-	-	-	-
Total	39,974,823.10	42,050,858.96	39,974,823.10	42,050,858.96

**4. CASH AND CASH EQUIVALENTS**

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of December 31, 2017 and 2016 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash	1,401,247.00	1,112,357.50	323,992.25	398,916.00
Cash at banks and financial institution	42,485,465.04	39,818,633.70	13,755,826.78	7,773,303.35
Total Cash and Cash Equivalents	43,886,712.04	40,930,991.20	14,079,819.03	8,172,219.35

**5. TEMPORARY INVESTMENT**

Temporary investment as of December 31, 2017 and 2016 are consisted as follows:

**5.1 INVESTMENT IN MUTUAL FUND**

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Investment in Commercial paper fund				
K-Treasury Fund	369,438,913.05	55,870,733.92	369,438,913.05	55,870,733.92
Total Temporary Investments	<u>369,438,913.05</u>	<u>55,870,733.92</u>	<u>369,438,913.05</u>	<u>55,870,733.92</u>

**5.2 INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES**

As of December 31, 2017 and 2016 Investment in available-for-sale securities of the Company and its subsidiary are as follow;

	BAHT					
	Consolidated Financial Statement / Separate Financial Statement					
	December 31, 2017			December 31, 2016		
	Cost	Unrealized Profit (loss)	Fair Value	Cost	Unrealized Profit (loss)	Fair Value
Marketable Security	102,760,000.00	(47,635,000.00)	55,125,000.00	102,760,000.00	(41,860,000.00)	60,900,000.00
Total	<u>102,760,000.00</u>	<u>(47,635,000.00)</u>	<u>55,125,000.00</u>	<u>102,760,000.00</u>	<u>(41,860,000.00)</u>	<u>60,900,000.00</u>

Movement of the unrealized profit (loss) of the available-for-sale securities for the year ended December 31, 2017 and 2016 are as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2017	60,900,000.00	60,900,000.00
The increaseduring the year	-	-
Movementduring the year	<u>(5,775,000.00)</u>	<u>(5,775,000.00)</u>
Balance as of December 31, 2017	<u>55,125,000.00</u>	<u>55,125,000.00</u>

**6. TRADE RECEIVABLES – OTHER PARTIES - NET**

Trade receivables – other parties as of December 31, 2017 and 2016 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Trade receivables–other parties	341,980,008.84	314,482,704.55	487,388.72	4,180,329.84
<u>Less:</u> Allowance for doubtful account	-	-	-	-
Trade receivables–other parties - net	<u>341,980,008.84</u>	<u>314,482,704.55</u>	<u>487,388.72</u>	<u>4,180,329.84</u>

As of December 31, 2017 and 2016 trade receivables–other parties were classified by aging of debt outstanding as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Trade receivables– other parties				
- Current	321,180,253.63	265,473,445.48	487,388.72	4,180,329.84
- Overdue 0 - 3 months	5,091,859.70	11,682,035.58	-	-
- Overdue 4 - 6 months	8,947,339.51	6,410,741.00	-	-
- Overdue 7 - 12 months	1,937,239.00	26,398,250.05	-	-
- Overdue over 12 month	4,823,317.00	4,518,232.24	-	-
Trade receivables–other parties - net	<u>341,980,008.84</u>	<u>314,482,704.55</u>	<u>487,388.72</u>	<u>4,180,329.84</u>

**7. INVENTORIES - NET**

As of December 31, 2017 and 2016 inventories – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Finished goods	811,184,015.04	979,573,462.14	3,243,297.11	3,177,852.64
Work in process	131,444,655.25	131,698,581.03	92,276,080.46	80,608,175.50
Raw materials	43,686,322.78	48,267,764.44	16,336,515.40	26,499,036.83
Supplies	4,662,964.83	7,142,422.36	1,600,618.04	4,118,254.25
Inventories in transit	658,149.71	473,810.62	-	305,569.56
Total	991,636,107.61	1,167,156,040.59	113,456,511.01	114,708,888.78
<u>Less:</u> Allowance for obsolete	<u>(16,000,000.00)</u>	<u>(16,000,000.00)</u>	<u>-</u>	<u>-</u>
Inventories – net	<u>975,636,107.61</u>	<u>1,151,156,040.59</u>	<u>113,456,511.01</u>	<u>114,708,888.78</u>

As of December 31, 2017 and 2016, the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 176,951,800.00 and Baht 171,835,500 respectively (eliminated in consolidated financial statement).

Movement of allowance for obsolete inventories account for the year ended December 31, 2017 is as follow;

	BAHT	
	Consolidated	Separate
Balance as of January 1, 2017	16,000,000.00	-
Increase during the year	-	-
Balance as of December 31, 2017	16,000,000.00	-

#### 8. LONG-TERM INVESTMENT

During August 2017 the Company invested in 5,000 units subordinated perpetual debentures of CP All Public Company Limited, face value 1,000 Baht per unit, total amount of Baht 5,000,000, which redeem upon company liquidation with the issue's right to early redemption. The interest will be paid semi annually and unconditional interest deferral. Interest rate is float rate which the rate during 1<sup>st</sup> to 5<sup>th</sup> year is 5% per annum, after that the rate is sum of (a) the rate of 5 years government bond, and (b) Initial Credit Spread, and (c) the stated rate of each periods.

**9. PROPERTY, PLANT AND EQUIPMENT - NET**

	BAHT					
	Consolidated Financial Statement					
	As of					As of
	Dec-31, 2016	Increase	Decrease	Transfer - In	Transfer - Out	Dec-31, 2017
<b><u>COST :</u></b>						
Land	118,492,674.50	-	-	-	-	118,492,674.50
Building & building improvement	314,785,137.15	1,303,822.60	-	1,656,014.97	-	317,744,974.72
Machinery & equipment	272,823,161.01	2,550,300.00	(4,365,790.51)	8,050,211.93	-	279,057,882.43
Tools & supplies	12,761,483.96	692,926.78	(53,700.85)	290,928.10	-	13,691,637.99
Furniture & fixture	139,444,951.19	1,284,918.20	(196,010.73)	6,005,137.40	-	146,538,996.06
Office equipments	55,274,256.07	1,257,557.15	(1,803,515.17)	365,820.00	-	55,094,118.05
Vehicles	43,828,127.47	1,700,000.00	(4,622,939.25)	-	-	40,905,188.22
Other equipments	944,900.22	-	-	-	-	944,900.22
Construction in progress	-	-	-	-	-	-
Computer & equipment	45,448,223.30	4,381,278.22	(2,757,140.00)	-	-	47,072,361.52
Assets installation in progress	5,972,526.09	14,390,269.42	-	-	(16,368,112.40)	3,994,683.11
Total cost	1,009,775,440.96	27,561,072.37	(13,799,096.51)	16,368,112.40	(16,368,112.40)	1,023,537,416.82
<b><u>Less: Accumulated depreciation</u></b>						
Building & building improvement	(226,495,366.45)	(13,960,565.43)	-	-	-	(240,455,931.88)
Machinery & equipment	(246,264,253.24)	(6,393,549.74)	4,365,703.51	-	-	(248,292,099.47)
Tools & supplies	(11,531,528.89)	(458,159.09)	53,693.85	-	-	(11,935,994.13)
Furniture & fixture	(90,042,148.37)	(20,962,578.42)	151,854.98	-	-	(110,852,871.81)
Office equipments	(45,989,972.94)	(3,001,670.69)	1,803,370.17	-	-	(47,188,273.46)
Vehicles	(43,814,931.15)	(212,546.55)	4,622,934.25	-	-	(39,404,543.45)
Other equipments	(867,644.02)	(19,580.90)	-	-	-	(887,224.92)
Computer & equipment	(39,070,943.18)	(4,733,488.88)	2,741,685.15	-	-	(41,062,746.91)
Total accumulated depreciation	(704,076,788.24)	(49,742,139.70)	13,739,241.91	-	-	(740,079,686.03)
Property, plants and equipment-net	305,698,652.72					283,457,730.79

Depreciation for the year ended December 31, 2017 and 2016 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	2017	2016
Cost of goods sold	21,968,175.90	23,169,036.19
Selling and administrative expenses	27,773,963.80	31,043,642.25
Total	49,742,139.70	54,212,678.44

	BAHT					
	Separate Financial Statement					
	As of Dec-31, 2016	Increase	Decrease	Transfer - In	Transfer - Out	As of Dec-31,2017
COST :						
Land	17,424,744.50	-	-	-	-	17,424,744.50
Building & building	144,921,728.79	-	-	-	-	144,921,728.79
Machinery & equipment	157,604,643.27	1,647,000.00	(2,369,931.64)	-	-	156,881,711.63
Tools & supplies	4,544,283.36	166,006.90	(53,700.85)	-	-	4,656,589.41
Furniture & fixture	9,859,152.72	159,522.43	(107,010.73)	-	-	9,911,664.42
Office equipments	8,387,088.79	63,765.70	(704,604.21)	-	-	7,746,250.28
Vehicles	11,680,588.78	-	(2,677,289.72)	-	-	9,003,299.06
Other equipments	944,900.22	-	-	-	-	944,900.22
Construction in progress	-	-	-	-	-	-
Total cost	355,367,130.43	2,036,295.03	(5,912,537.15)	-	-	351,490,888.31
Less: Accumulated depreciation						
Building & building	(98,170,940.48)	(6,702,522.80)	-	-	-	(104,843,463.28)
Machinery & equipment	(143,979,023.75)	(3,142,596.36)	2,369,876.64	-	-	(144,751,743.47)
Tools & supplies	(3,865,667.62)	(221,456.52)	53,693.85	-	-	(4,033,430.29)
Furniture & fixture	(9,490,256.52)	(138,437.25)	106,989.73	-	-	(9,521,704.04)
Office equipments	(7,957,233.35)	(228,925.05)	704,544.21	-	-	(7,481,614.19)
Vehicles	(11,680,579.78)	-	2,677,287.72	-	-	(9,003,292.06)
Other equipments	(867,644.02)	(19,580.90)	-	-	-	(887,224.92)
Total accumulated depreciation	(276,011,345.52)	(10,453,518.88)	5,912,392.15	-	-	(280,552,472.25)
Property, plants and equipment -net	79,355,784.91					70,938,416.06

Depreciation for the year ended December 31, 2017 and 2016 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	2017	2016
Cost of goods sold	10,066,575.68	10,766,848.59
Selling and administrative expenses	386,943.20	496,661.47
Total	10,453,518.88	11,263,510.06

The Company has pledged a part of land, buildings and machineries owned by company and subsidiary as collateral with banks for the Company's credit facilities.

**10. INTANGIBLE ASSETS**

	BAHT					
	Consolidated Financial Statement					
	As of	Increase	Decrease	Transfer		As of
	Dec-31, 2016			in	out	Dec-31, 2017
Cost:						
Computer Software	27,528,594.09	-	-	385,000.00	-	27,913,594.09
Software under installation	-	385,000.00	-	-	(385,000.00)	-
Total	27,528,594.09	385,000.00	-	385,000.00	(385,000.00)	27,913,594.09
Less: Accumulated amortization expenses						
Computer Software	(22,963,576.91)	(1,400,597.78)	-	-	-	(24,364,174.69)
Total	(22,963,576.91)	(1,400,597.78)	-	-	-	(24,364,174.69)
Intangible assets – net	4,565,017.18					3,549,419.40

Amortization expenses for the year ended December 31, 2017 and 2016 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	2017	2016
Cost of goods sold	202,281.83	202,281.83
Selling and administrative expenses	1,198,315.95	1,168,218.82
Total	1,400,597.78	1,370,500.45

	BAHT				
	Separate Financial Statement				
	As of Dec-31, 2016	Increase	Decrease	Transfer	As of Dec-31, 2017
Cost:					
Computer Software	2,469,288.38	-	-	-	2,469,288.38
Total	2,469,288.38	-	-	-	2,469,288.38
Less: Accumulated amortization expenses					
Computer Software	(2,469,239.38)	-	-	-	(2,469,239.38)
Total	(2,469,239.38)	-	-	-	(2,469,239.38)
Intangible assets – net	49.00				49.00

Amortization expenses for the year ended December 31, 2017 and 2016 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	2016	2015
Cost of goods sold	-	-
Selling and administrative expenses	-	-
Total	-	-

#### 11. LEASEHOLD RIGHT -NET

As of December 31, 2017 and 2016 leasehold right – net are consisted as follows:

	BAHT				
	Consolidated Financial Statement				
	As of Dec-31, 2016	Increase	Decrease	Transfer	As of Dec-31, 2017
<b><u>LEASEHOLD RIGHT</u></b>					
COST	73,668,916.67	299,400.00	-	-	73,968,316.67
<u>Less</u> : Accumulated					
Amortization	(51,890,539.93)	(4,467,615.13)	-	-	(56,358,155.06)
Leasehold Right - net	<u>21,778,376.74</u>				<u>17,610,161.61</u>

Amortization for the year ended December 31, 2017 and 2016 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2017	2016	2017	2016
Selling expenses	4,467,615.13	4,516,515.24	-	-
Total	<u>4,467,615.13</u>	<u>4,516,515.24</u>	<u>-</u>	<u>-</u>

**12. BANK OVERDRAFTS AND SHORT TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts and short term loans from financial institution as of December 31, 2017 and 2016 were consisted of the follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Bank overdrafts	-	-	-	-
Short term loan	18,000,000.00	108,000,000.00	-	-
Loan on trust receipt	-	-	-	-
Total	18,000,000.00	108,000,000.00	-	-

The Company and its subsidiary have entered into the bank overdraft and short term loan agreement with several banks. The interest rate was ranging from 2.10% to 8.125% per annum. The Company and its subsidiary pledged its land, buildings and machinery as collateral with the banks. Besides, the company's director and shareholder are also guarantor for the loans.

**13. OTHER PAYABLES**

As of December 31, 2017 and 2016 other payables are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Advance for merchandise	5,447,989.86	6,788,061.83	4,899,156.26	6,190,420.33
Accrued expenses	169,005,050.22	116,791,369.46	55,377,522.24	34,048,886.68
Accrued dividend	611,405.11	659,662.11	611,405.11	659,662.11
Total	175,064,415.19	124,239,093.40	60,888,083.61	40,898,969.12

**14. EMPLOYEES' BENEFIT OBLIGATION**

Movements of present value of employee benefit obligation for the year ended December 31, 2017 and 2016 were as follows:

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year	For the year	For the year	For the year
	ended	ended	ended	ended
	Dec-31, 2017	Dec-31, 2016	Dec-31, 2017	Dec-31, 2016
Employee benefits obligation as of beginning of years	69,570,365.00	61,035,682.00	44,123,462.00	39,866,262.00
Payment of Employees' benefit	(2,352,439.00)	(4,725,880.34)	(590,180.00)	(3,375,300.00)
Current service cost and interest cost	14,478,144.00	13,260,563.34	8,505,168.00	7,632,500.00
Employee benefits obligation as of ending of years	81,696,070.00	69,570,365.00	52,038,450.00	44,123,462.00

Expenses recognized in statements of income for the year ended December 31, 2017 and 2016 are as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2017	2016	2017	2016
Current service cost	12,524,964.00	11,621,123.34	7,198,744.00	6,528,308.00
Interest cost	1,953,180.00	1,639,440.00	1,306,424.00	1,104,192.00
Total	14,478,144.00	13,260,563.34	8,505,168.00	7,632,500.00

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of December 31, 2017 are as follows:

	Consolidated	Separate
	Financial Statement	Financial Statement
Discount rate	2.49% and 2.77 %	2.77%
Salary scale increase rate	3.00 %	3.00 %
Employee with voluntary resignation before retirement ratio	0-67 %*	0-52 %*
Mortality rate	TMO 2008 **	TMO 2008 **

\* Based on rate weighted by age group of employee

\*\* Reference to Thai Mortality ordinary Table of 2008 common type

**Sensitivity analysis of significant actuarial assumptions**

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that was reasonably possible as of December 31, 2017 as follows:

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 3.43 million (increases Baht 3.88 million)
- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 4.82 million (decrease Baht 4.31 million).
- If the Employee with voluntary resignation before retirement increases (decreases) by one year for all employees, the employee benefit obligation would decrease Baht 3.71 million (increases Baht 2.18 million).

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

**15. REGISTERED CAPITAL**

- 15.1 On May 15, 2008 the Company common shares have been approved to be a registered security in SET and the share initial trading has been started since that date.
- 15.2 On July 26, 2012, an extra ordinary shareholder meeting no 1/2012 had approved a resolution to change number of shares and par value of the share capital from; a registered capital of Baht 347,500,000 with 69,500,000 shares at Baht 5.00 par value to a registered capital of Baht 347,500,000 with 347,500,000 shares at Baht 1.00 par value. The change was registered with the Ministry Commerce on July 27, 2012.

**16. LEGAL RESERVE**

According to public company legislation 1992, the Company has to allocate a portion of net profit for the year to be Legal Reserve not less than 5% of profit of the year. The allocation of Legal Reserve should be deducted with the beginning balance of deficit (if any) until the balance of Legal Reserve not less than 10% of registered capital. The Company cannot pay dividend from the Legal Reserve.

**17. DIVIDEND PAYMENT**

On August 11, 2016, the shareholder meeting no. 3/2016 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.10 per share for the 347.50 million shares, total amount of Baht 34.75 million.

On April 10, 2017, the shareholder meeting no. 1/2017 has approved to pay dividend for the year 2016 to shareholders, at Baht 0.14 per share for the 347.50 million shares, total amount of Baht 48.65 million.

On August 11, 2017, the shareholder meeting no. 3/2017 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.14 per share for the 347.50 million shares, total amount of Baht 48.65 million.

**18. INCOME TAX EXPENSE**

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any for bidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the years 2017 and 2016 at the rate 20%.

18.1 Income tax expense for the year ended December 31, 2017 and 2016, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Income tax charge of current periods	67,024,011.45	54,615,774.26	22,382,773.60	21,385,797.35
Deferred income tax Expense (Revenue)				
from temporary difference	-	-	-	-
Effects of deferred income tax				
from change of tax rates	(6,356,814.40)	(12,406,755.60)	(1,582,997.60)	(851,440.00)
Income tax expense presented				
in the statement of income	60,667,197.05	42,209,018.66	20,799,776.00	20,534,357.35

18.2 Income tax relating to components of statements of comprehensive income – other for the year ended December 31, 2017 and 2016 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred income tax relating to;				
- Investment in marketable securities	9,527,000.00	8,372,000.00	9,527,000.00	8,372,000.00
- Actuarial estimates	-	-	-	-
Deferred tax expense (income) presented				
in statement of comprehensive income	9,527,000.00	8,372,000.00	9,527,000.00	8,372,000.00

18.3 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the year ended December 31, 2017 and 2016 are presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before corporate income	303,810,496.14	217,875,072.36	106,937,511.32	116,532,092.76
Corporate income tax rates	20%	20%	20%	20%
Accounting profit before corporate income-				
-Multiply by tax rates	60,762,099.22	43,575,014.47	21,387,502.26	23,306,418.55
Effects to deferred income tax	(6,356,814.40)	(12,406,755.60)	(1,582,997.60)	(851,440.00)
Effects of income and expenses-				
- not related to income tax	1,023,260.00	2,016,900.00	-	-
Income tax effects that is nondeductible in				
Calculation of profit:				
- BOI Privileges	-	(2,273,832.16)	-	(2,273,832.16)
- Revenue exempted in tax calculation	3,299,050.46	9,546,998.14	(632,622.95)	(1,152,820.86)
-Nondeductible expenses	1,939,601.77	1,750,693.81	1,627,894.29	1,506,031.82
Income tax expense presented in the -				
Statement of Income	60,667,197.05	42,209,018.66	20,799,776.00	20,534,357.35

18.4 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Dec-31, 2017	Dec-31, 2016	Dec-31, 2017	Dec-31, 2016
<u>Deferred tax assets</u>				
Investment in marketable securities	9,527,000.00	8,372,000.00	9,527,000.00	8,372,000.00
Consignment receivable	208,144,659.42	218,275,716.56	-	-
Allowance for impairment of	3,200,000.00	3,200,000.00	-	-
Employee benefit obligation	16,339,214.00	13,914,073.00	10,407,690.00	8,824,692.40
Total	237,210,873.42	243,761,789.56	19,934,690.00	17,196,692.40
<u>Deferred tax liabilities</u>				
Consignment inventories	(74,847,948.30)	(88,910,678.84)	-	-
Total	(74,847,948.30)	(88,910,678.84)	-	-
<u>Deferred tax assets – net</u>	162,362,925.12	154,851,110.72	19,934,690.00	17,196,692.40

**19. PROVIDENT FUND**

During year 2005, the Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of not less than 3% from employee's salary and a portion that contributed at the same amount from the Company. Employees entitle to receive money from provident fund if he/she resign and comply with its regulation. The provident fund is managed by MFC Public Co., Ltd.

**20. COMMITMENT****20.1 Lease agreement and long term services**

20.1.1 On June 1, 2016, company has entered into the lease of buildings agreement with Sabina Far East Co., Ltd., to use the buildings as company's office and warehouse for 3 years. The Company has a right to renew the lease agreement for 3 times at 3 years each. However the Company has to inform landlord by written in advance not less than 180 days. The rental is Baht 142,500 per month; landlord is responsible for municipal taxes. Landlord promised that it will not sell or dispose the assets in 12 years.

20.1.2 On June 12, 2009, the subsidiary has entered into another lease contract with the department store and for extension the lease period to another 10 years, which will expire in June 2019. The subsidiary had paid for the leasehold right for the 10 years approximately amounting to Baht 13.71 million.

The commitment for the long-term lease, which should be paid the rent and service in the future, as of December 31, 2017 are as follow;

**The Company**

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	-
Over 1 year but not over 5 years	2.42
Over 5 years	-
Total	<u>2.42</u>

**The Subsidiary Company**

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	60.23
Over 1 year but not over 5 years	37.63
Over 5 years	0.03
Total	<u>97.89</u>

**20.2 Letter of bank guarantee**

As of December 31, 2017 and 2016, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

Objective	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
1. Guarantee for Custom Department	0.50	0.56	-	-
2. Others	3.25	3.25	1.34	1.34
Total	3.75	3.81	1.34	1.34

**21. DISCLOSURE FOR FINANCIAL INSTRUMENTS**Risk from foreign exchange rate

The Company and its subsidiary encounters risk in foreign exchange rate because company has foreign receivables and payables. However, the credit terms given or received from the receivables and payables are short period.

As of December 31, 2017 and 2016, the Company and its subsidiary have assets and liabilities in foreign currencies as follows:

	Amount in Foreign Currencies			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>ASSETS</b>				
US Dollar	162,410.53	420,318.41	15,591.50	118,197.97
Hong Kong Dollar	-	-	-	-
Euro Dollar	-	-	-	-
Pound Sterling	726,886.65	-	-	-
<b>LIABILITIES</b>				
US Dollar	283,517.48	253,800.05	202,492.75	206,973.86
Hong Kong Dollar	28,505.90	200,799.20	21,335.00	-
Euro Dollar	400.98	282.70	-	-
Pound Sterling	20,343.92	4,698.97	-	-

Risk from interest rate

The interest rate risk depends on the fluctuation of interest rate in financial market. The fluctuation of the interest rate may have impact on the company's operation and cash flows. However, management believes that risk is insignificant in the current financial market because company can generate enough income and cash flows to pay interest.

Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to company. However, since the company currently sells its products to creditworthy customers, it does not anticipate any material problem in collecting its debt. The concentration of credit risk with respect to trade receivable is limited because company's debtors are spread over in different area and type of business. Account receivable showed in the statement of financial position, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

Fair value

The fair value of company's financial assets and liabilities determine by the following basis.

	Consolidated and Separate Financial Statement				
	(Thousand Baht)				
	Cost	Fair value			
		Level 1	Level 2	Level 3	Total
As of December 31, 2017					
<u>Current</u>					
Temporary Investment					
<i>Available-for-sale securities</i>	102,760	55,125	-	-	55,125

The fair value of the Group's investment were determined to the Level 1 under the fair value hierarchy as such current investment has a published quotation price in an active market.

**22. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS**

Statements of income segmented by business for the year ended December 31, 2017 and 2016 are as follows:

	Consolidated Financial Statement (Million Baht)					
	December 31, 2017			December 31, 2016		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	260.55	2,398.48	2,659.03	255.78	2,127.13	2,382.91
Services income	-	3.66	3.66	-	-	-
	<u>260.55</u>	<u>2,402.14</u>	<u>2,662.69</u>	<u>255.78</u>	<u>2,127.13</u>	<u>2,382.91</u>
Cost of sales			<u>(1,307.11)</u>			<u>(1,125.00)</u>
Gross profit			1,355.58			1,257.91
Selling and administrative expenses			<u>(1,066.75)</u>			<u>(1,050.89)</u>
Net profit from operation			<u>288.83</u>			<u>207.02</u>
Other income and expenses						
Other income			16.43			14.13
Financial cost			<u>(1.45)</u>			<u>(3.27)</u>
Total other income and expenses			<u>14.98</u>			<u>10.86</u>
Profit before income tax			303.81			217.88
Income tax expense			<u>(60.67)</u>			<u>(42.21)</u>
Net profit			<u>243.14</u>			<u>175.67</u>

Property, plant and equipment of company have been commonly used for export and domestic operations.  
Statements of income segmented by business for the year ended December 31, 2017 and 2016 are as follows:

	Separate Financial Statement (million Baht)					
	December 31, 2017			December 31, 2016		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	39.92	682.72	722.64	48.24	712.61	760.85
Services income	-	35.78	35.78	-	29.47	29.47
Total revenue	<u>39.92</u>	<u>718.50</u>	<u>758.42</u>	<u>48.24</u>	<u>742.08</u>	<u>790.32</u>
Cost of sales			(589.11)			(611.58)
Gross profit			169.31			178.74
Selling and administrative			(83.74)			(83.77)
Net profit from operation			<u>85.57</u>			<u>94.97</u>
Other income and expenses						
Other income			21.37			21.56
Financial cost			-			-
Total other income and expenses			<u>21.37</u>			<u>21.56</u>
Profit before income tax			106.94			116.53
Income tax expense			(20.80)			(20.53)
Net profit			<u>86.14</u>			<u>96.00</u>

Property, plant and equipment of the Company have been commonly used for export and domestic operations.

#### **Major customer information**

During year 2017, the Company has earned from 3 major customers amounting to Baht 967 million.

**23. EXPENSE BY NATURE**

The significant expenses for the year ended December 31, 2017 and 2016 classified by nature are as follow;

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2017	2016	2017	2016
Changes in finished goods -				
- and work in process	(168,643,372.88)	2,499,300.34	11,733,349.43	(4,297,788.55)
Purchase of finished goods	26,529,521.14	22,373,846.17	-	-
Raw material and supply usage	495,988,712.74	548,380,843.93	293,286,540.32	324,611,090.65
Employees' expenses -				
- (Exclude management)	633,886,886.34	570,851,021.47	124,228,754.93	101,297,502.06
Depreciation and Amortization	55,610,352.61	60,099,694.13	10,453,518.88	11,263,510.06
Transportation expense	13,946,812.91	12,070,353.70	14,834.00	10,234.00
Chemical supplies and				
-cost of analysis	4,721,694.31	3,192,204.10	140,750.00	125,653.46
Advertising and promotion	93,280,082.04	86,686,777.44	155,204.86	64,502.52

**24. EVENTS AFTER THE REPORTING YEAR ENDED**

On February 23, 2017, the board of director meeting no. 1/2017 has a resolution to pay dividend for the year 2016 from the net profit of 2016 to its shareholders, at Baht 0.68 per share for the 347.50 million shares, total amount of Baht 236.30 million, which will be proposed to the Annual General Meeting of Shareholders No. 1/2018 on approval.

**25. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statement has been approved by the Company's board of directors on February 23, 2018

(Signed) .....Director (Signed).....Director