

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**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, 2018, 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, 2018, 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 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 ANGSIWITTHAYA)  
 Certified Public Accountant  
 Registration No. 3885

A.M.T. & ASSOCIATES  
 Bangkok, Thailand  
 February 20, 2019

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF December 31, 2018

|   |      | Baht                             |                   |                              |                   |
|---|------|----------------------------------|-------------------|------------------------------|-------------------|
|   |      | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|   | NOTE | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| <u>A S S E T S</u>                      |      |                                  |                   |                              |                   |
| CURRENT ASSETS                          |      |                                  |                   |                              |                   |
| Cash and cash equivalents               | 4    | 60,416,139.44                    | 43,886,712.04     | 16,760,554.51                | 14,079,819.03     |
| Temporary Investment                    |      |                                  |                   |                              |                   |
| - Mutual funds                          | 5.1  | 198,055,487.43                   | 369,438,913.05    | 198,055,487.43               | 369,438,913.05    |
| - Available-for-sale securities         | 5.2  | 100,916,841.80                   | 55,125,000.00     | 100,916,841.80               | 55,125,000.00     |
| Trade receivables and other receivables |      |                                  |                   |                              |                   |
| Trade receivable - net                  |      |                                  |                   |                              |                   |
| - Related parties                       | 3.1  | -                                | -                 | 390,472,452.07               | 286,789,335.44    |
| - Other parties                         | 6    | 402,269,830.69                   | 341,980,008.84    | 664,484.29                   | 487,388.72        |
| Other receivables                       |      | 63,310,187.56                    | 8,568,897.84      | 1,441,521.07                 | 449,636.37        |
| Short-term loan to related party        | 3.2  | -                                | -                 | 15,000,000.00                | 178,000,000.00    |
| Inventories - net                       | 7    | 1,117,502,988.59                 | 975,636,107.61    | 123,625,635.43               | 113,456,511.01    |
| Other current assets                    |      |                                  |                   |                              |                   |
| Prepaid output VAT                      |      | 84,539,612.23                    | 72,850,630.80     | -                            | -                 |
| Others                                  |      | 2,022,132.52                     | 1,950,768.14      | 242,499.02                   | 219,998.54        |
| Total current assets                    |      | 2,029,033,220.26                 | 1,869,437,038.32  | 847,179,475.62               | 1,018,046,602.16  |
| NON-CURRENT ASSETS                      |      |                                  |                   |                              |                   |
| Investment in subsidiary                | 1.5  | -                                | -                 | 144,849,500.00               | 144,849,500.00    |
| Long-Term Investments                   | 8    | 5,000,000.00                     | 5,000,000.00      | 5,000,000.00                 | 5,000,000.00      |
| Property, plant and equipment - net     | 9    | 293,662,558.39                   | 283,457,730.79    | 81,316,821.37                | 70,938,416.06     |
| Intangible asset                        | 10   | 8,609,356.92                     | 3,549,419.40      | 1,000,049.00                 | 49.00             |
| Deferred tax assets                     | 18.4 | 205,690,633.80                   | 162,362,925.12    | 24,672,270.55                | 19,934,690.00     |
| Others non-current assets               |      |                                  |                   |                              |                   |
| Leasehold right - net                   | 11   | 13,141,346.37                    | 17,610,161.61     | -                            | -                 |
| Deposit                                 |      | 46,885,272.20                    | 45,831,927.78     | 171,840.00                   | 170,590.00        |
| Total non-current assets                |      | 572,989,167.68                   | 517,812,164.70    | 257,010,480.92               | 240,893,245.06    |
| TOTAL ASSETS                            |      | 2,602,022,387.94                 | 2,387,249,203.02  | 1,104,189,956.54             | 1,258,939,847.22  |

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, 2018

| NOTE   | Baht                             |                   |                              |                   |
|--|----------------------------------|-------------------|------------------------------|-------------------|
|  | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|  | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b> |                                  |                   |                              |                   |
| <b>CURRENT LIABILITIES</b>                         |                                  |                   |                              |                   |
| Bank overdrafts and short-term loans from          |                                  |                   |                              |                   |
| financial institutions                             | 12                               | 156,162,831.78    | 18,000,000.00                | -                 |
| Trade payables and other payables                  |                                  |                   |                              |                   |
| Trade payable                                      |                                  |                   |                              |                   |
| - related parties                                  | 3.3                              | -                 | -                            | 3,593,354.54      |
| - other parties                                    |                                  | 184,243,184.17    | 152,750,172.60               | 67,090,309.07     |
| Other payables                                     | 13                               | 225,068,762.68    | 175,064,415.19               | 78,079,560.59     |
| Other current liabilities                          |                                  |                   |                              |                   |
| Accrued income tax                                 |                                  | 77,367,152.28     | 39,259,175.80                | 9,122,870.74      |
| Others   |                                  | 21,634,730.57     | 18,661,668.25                | 4,847,391.48      |
| Total current liabilities                          |                                  | 664,476,661.48    | 403,735,431.84               | 162,733,486.42    |
| <b>NON-CURRENT LIABILITIES</b>                     |                                  |                   |                              |                   |
| Employees' benefit obligation                      | 14                               | 95,623,146.00     | 81,696,070.00                | 61,521,400.00     |
| Employees' deposit                                 |                                  | 6,543,500.00      | 6,455,000.00                 | 54,000.00         |
| Total non-current liabilities                      |                                  | 102,166,646.00    | 88,151,070.00                | 61,575,400.00     |
| Total liabilities                                  |                                  | 766,643,307.48    | 491,886,501.84               | 224,308,886.42    |

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## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF December 31, 2018

| NOTE  | Baht                             |                         |                                |                         |
|---|----------------------------------|-------------------------|--------------------------------|-------------------------|
|   | Consolidated Financial Statement |                         | Separarate Financial Statement |                         |
|   | December 31, 2018                | December 31, 2017       | December 31, 2018              | December 31, 2017       |
| <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                                    |                                  | 1,018,848,523.49        | 1,067,468,182.02               | 280,286,032.31          |
| Total other components of equity                  |                                  | 144,616,556.97          | 155,980,519.16                 | (57,818,962.19)         |
| Total equity of the Parent                        |                                  | 1,835,379,080.46        | 1,895,362,701.18               | 879,881,070.12          |
| Non-controlling interests                         |                                  | -                       | -                              | -                       |
| Total shareholders' equity                        |                                  | 1,835,379,080.46        | 1,895,362,701.18               | 879,881,070.12          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                                  | <b>2,602,022,387.94</b> | <b>2,387,249,203.02</b>        | <b>1,104,189,956.54</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, 2018

|      |  | BAHT                               |                |                          |                            |                                      |  |   |                                     |                            |                            |                           |                            |
|------|--|------------------------------------|----------------|--------------------------|----------------------------|--------------------------------------|--|---|-------------------------------------|----------------------------|----------------------------|---------------------------|----------------------------|
|      |  | Retained earnings                  |                |                          |                            | Other components of equity           |  |   |                                     |                            |                            |                           |                            |
|      |  |                                    |                |                          |                            | Net book value of subsidiary company |  | Others Comprehensive Income                                 |                                     | Total                      |                            |                           |                            |
|      |  | Issued and paid - up share capital |                | Premium on share capital | Appropriated legal reserve | Unappropriated                       | which exceed cost of investment ( Note 1.5 ) | Gain (loss) from valuation of available-for-sale investment | Gain (loss) on actuarial estimates. | Other components of equity | Total Equity of the Parent | Non Controlling Interests | Total Shareholders' Equity |
| NOTE |  | share capital                      | share capital  | legal reserve            | Unappropriated             |                                      |  |   |                                     |                            |                            |                           |                            |
|      | 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                                  | -                                  | -              | -                        | (97,300,000.00)            | -                                    | -  | -   | -                                   | (97,300,000.00)            | -                          | (97,300,000.00)           |                            |
|      | Balance of December 31, 2017                   | 347,500,000.00                     | 275,164,000.00 | 49,250,000.00            | 1,067,468,182.02           | 202,435,519.16                       | (46,455,000.00)                              | -   | 155,980,519.16                      | 1,895,362,701.18           | -                          | 1,895,362,701.18          |                            |
|      | Balance as of January 1, 2018                  | 347,500,000.00                     | 275,164,000.00 | 49,250,000.00            | 1,067,468,182.02           | 202,435,519.16                       | (46,455,000.00)                              | -   | 155,980,519.16                      | 1,895,362,701.18           | -                          | 1,895,362,701.18          |                            |
|      | Changes in shareholders' equity for the year   |                                    |                |                          |                            |                                      |  |   |                                     |                            |                            |                           |                            |
|      | Total comprehensive income (loss) for the year | -                                  | -              | -                        | 361,586,858.47             | -                                    | (11,363,962.19)                              | -   | (11,363,962.19)                     | 350,222,896.28             | -                          | 350,222,896.28            |                            |
|      | Dividend Paid                                  | -                                  | -              | -                        | (410,206,517.00)           | (150,643,480.00)                     | -  | -   | -                                   | (410,206,517.00)           | -                          | (410,206,517.00)          |                            |
|      | Balance as of December 31, 2018                | 347,500,000.00                     | 275,164,000.00 | 49,250,000.00            | 1,018,848,523.49           | 51,792,039.16                        | (57,818,962.19)                              | -   | 144,616,556.97                      | 1,835,379,080.46           | -                          | 1,835,379,080.46          |                            |

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 ENDED DECEMBER 31, 2018

BAHT

|  | NOTE | Retained earnings                        |                                |                               |                       | Other components of equity   |   |                                     |                         |
|--|------|--|--------------------------------|-------------------------------|-----------------------|--|---|-------------------------------------|-------------------------|
|  |      | Issued and<br>paid - up<br>share capital | Premium<br>on<br>share capital | Appropriated<br>legal reserve | Unappropriated        | Others Comprehensive Income  |   | Total                               |                         |
|  |      |  |                                |                               |                       | Gain (loss) from<br>valuation of<br>available-for-sale<br>investment | Gain (loss)<br>on<br>actuarial<br>estimates | Other<br>components<br>of<br>equity |                         |
|  |      |  |                                |                               |                       |  |   |                                     | Total                   |
|  |      |  |                                |                               |                       |  |   |                                     |                         |
| Equity   |      |  |                                |                               |                       |  |   |                                     |                         |
| 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)  | -   | (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)   | -   | (4,620,000.00)                      | 81,517,735.32           |
| Dividend Paid                                  |      | -  | -                              | -                             | (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>34,750,000.00</u>          | <u>448,252,472.53</u> | <u>(46,455,000.00)</u>   | <u>-</u>                                    | <u>(46,455,000.00)</u>              | <u>1,059,211,472.53</u> |
| Balance as of January 1, 2018                  |      | 347,500,000.00                           | 275,164,000.00                 | 34,750,000.00                 | 448,252,472.53        | (46,455,000.00)  | -   | (46,455,000.00)                     | 1,059,211,472.53        |
| Changes in shareholders' equity for the year   |      |  |                                |                               |                       |  |   |                                     |                         |
| Total comprehensive income (loss) for the year |      | -  | -                              | -                             | 242,083,559.78        | (11,363,962.19)  | -   | (11,363,962.19)                     | 230,719,597.59          |
| Dividend Paid                                  |      | -  | -                              | -                             | (410,050,000.00)      | -  | -   | -                                   | (410,050,000.00)        |
| Balance as of December 31, 2018                |      | <u>347,500,000.00</u>                    | <u>275,164,000.00</u>          | <u>34,750,000.00</u>          | <u>280,286,032.31</u> | <u>(57,818,962.19)</u>   | <u>-</u>                                    | <u>(57,818,962.19)</u>              | <u>879,881,070.12</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 INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

|                                     |   | B A H T                          |                  |                                |                 |
|-------------------------------------|---|----------------------------------|------------------|--------------------------------|-----------------|
|                                     |   | Consolidated Financial Statement |                  | Separarate Financial Statement |                 |
|                                     |   | For the year ended December 31   |                  | For the year ended December 31 |                 |
| NOTE                                |   | 2018                             | 2017             | 2018                           | 2017            |
| <b>REVENUES</b>                     |   |                                  |                  |                                |                 |
|                                     | Revenues from sales - net                         | 3,089,842,593.66                 | 2,659,018,934.74 | 798,171,537.58                 | 722,639,694.43  |
|                                     | Revenues from services                            | -                                | 3,662,250.00     | 102,798,142.00                 | 35,785,030.00   |
|                                     | Revenues from dividend                            | 1,436,000.00                     | -                | 152,079,480.00                 | -               |
|                                     | Other incomes                                     | 11,627,845.95                    | 16,442,913.02    | 550,638.81                     | 21,369,484.53   |
|                                     | Total Revenues                                    | 3.4 3,102,906,439.61             | 2,679,124,097.76 | 1,053,599,798.39               | 779,794,208.96  |
| <b>EXPENSES</b>                     |   |                                  |                  |                                |                 |
|                                     | Cost of sales and services                        | 1,494,852,995.55                 | 1,307,108,300.06 | 703,161,107.51                 | 589,111,665.62  |
|                                     | Selling expenses                                  | 910,400,194.38                   | 836,556,350.31   | 998,550.15                     | 2,715,933.42    |
|                                     | Administrative expenses                           | 245,361,950.32                   | 230,198,275.84   | 90,325,005.70                  | 81,029,098.60   |
|                                     | Financial expenses                                | 1,441,340.21                     | 1,450,675.41     | 351.29                         | -               |
|                                     | Total Expenses                                    | 3.4 2,652,056,480.46             | 2,375,313,601.62 | 794,485,014.65                 | 672,856,697.64  |
|                                     | PROFIT BEFORE INCOME TAX                          | 450,849,959.15                   | 303,810,496.14   | 264,114,783.74                 | 106,937,511.32  |
|                                     | INCOME TAX EXPENSE                                | 18.1 , 18.3 (89,263,100.68)      | (60,667,197.05)  | (22,031,223.96)                | (20,799,776.00) |
|                                     | PROFIT FOR THE PERIOD                             | 361,586,858.47                   | 243,143,299.09   | 242,083,559.78                 | 86,137,735.32   |
| <b>Net income attributable to :</b> |   |                                  |                  |                                |                 |
|                                     | Equity holders of the parent                      | 361,586,858.47                   | 243,143,299.09   | 242,083,559.78                 | 86,137,735.32   |
|                                     | Non - controlling interests                       | -                                | -                | -                              | -               |
|                                     |   | 361,586,858.47                   | 243,143,299.09   | 242,083,559.78                 | 86,137,735.32   |
| <b>BASIC EARNINGS PER SHARE</b>     |   |                                  |                  |                                |                 |
|                                     | Earnings (loss) per share (Baht)                  | 1.04                             | 0.70             | 0.70                           | 0.25            |
|                                     | 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, 2018

|  | B A H T                          |                |                                |                |
|--|----------------------------------|----------------|--------------------------------|----------------|
|  | Consolidated Financial Statement |                | Separarate Financial Statement |                |
|  | For the year ended December 31   |                | For the year ended December 31 |                |
|  | 2018                             | 2017           | 2018                           | 2017           |
| PROFIT FOR THE YEARS   | 361,586,858.47                   | 243,143,299.09 | 242,083,559.78                 | 86,137,735.32  |
| Other comprehensive income;  |                                  |                |                                |                |
| <i>Item that will be reclassified subsequently to profit or loss :</i> |                                  |                |                                |                |
| Gain (loss) from valuation of - available-for-sale investment          | (14,204,952.74)                  | (5,775,000.00) | (14,204,952.74)                | (5,775,000.00) |
| Income tax related to other components of equity                       |                                  |                |                                |                |
| - valuation of available-for-sale investment                           | 2,840,990.55                     | 1,155,000.00   | 2,840,990.55                   | 1,155,000.00   |
| Other comprehensive income - for the years-net of tax                  | (11,363,962.19)                  | (4,620,000.00) | (11,363,962.19)                | (4,620,000.00) |
| Total comprehensive income for the years                               | 350,222,896.28                   | 238,523,299.09 | 230,719,597.59                 | 81,517,735.32  |
| Total comprehensive income attributable to :                           |                                  |                |                                |                |
| Equity holders of the parent   | 350,222,896.28                   | 238,523,299.09 | 230,719,597.59                 | 81,517,735.32  |
| Non - controlling interests  | -                                | -              | -                              | -              |
|  | 350,222,896.28                   | 238,523,299.09 | 230,719,597.59                 | 81,517,735.32  |

*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, 2018

|  |  | B A H T                          |                  |                                |                  |
|--|--|----------------------------------|------------------|--------------------------------|------------------|
|  |  | Consolidated Financial Statement |                  | Separate Financial Statement   |                  |
|  |  | For the year ended December 31   |                  | For the year ended December 31 |                  |
| NOTE                                   |  | 2018                             | 2017             | 2018                           | 2017             |
| CASH FLOWS FROM OPERATING ACTIVITIES : |  |                                  |                  |                                |                  |
|  | Net profit   | 361,586,858.47                   | 243,143,299.09   | 242,083,559.78                 | 86,137,735.32    |
|  | Adjustments to reconcile net profit to net cash proceed (paid) |                                  |                  |                                |                  |
|  | Depreciation   | 9                                | 44,352,919.50    | 49,742,139.70                  | 11,248,844.60    |
|  | Amortization   | 10, 11                           | 5,768,277.72     | 5,868,212.91                   | -                |
|  | Employees' benefits obligation                                 | 14                               | 18,139,914.00    | 14,478,144.00                  | 11,411,711.00    |
|  | Loss (gain) from disposal of property                          |                                  | (1,417,754.06)   | (1,896,658.57)                 | (1,354.22)       |
|  | Unrealised (gain) loss on exchange rate                        |                                  | 3,463,759.25     | (105,355.23)                   | 6,994.21         |
|  | Interest expenses  |                                  | 1,441,340.21     | 1,450,675.41                   | 351.29           |
|  | Current tax expense  | 18.1                             | 129,749,818.81   | 67,024,011.45                  | 23,927,813.96    |
|  | Deferred tax expense (income)                                  | 18.1                             | (40,486,718.13)  | (6,356,814.40)                 | (1,896,590.00)   |
|  | (Increase) decrease in trade receivable - related parties      |                                  | -                | -                              | (103,683,116.63) |
|  | (Increase) decrease in trade receivable - other parties        |                                  | (60,289,821.85)  | (27,497,304.29)                | (177,095.57)     |
|  | (Increase) decrease in other receivable                        |                                  | (54,741,289.73)  | (2,509,379.21)                 | (991,884.71)     |
|  | (Increase) decrease in inventories                             |                                  | (141,866,880.98) | 175,519,932.98                 | (10,169,124.42)  |
|  | (Increase) decrease in other current assets                    |                                  | (11,760,345.80)  | 3,216,037.02                   | (22,500.48)      |
|  | (Increase) decrease in other non-current assets                |                                  | (1,053,344.42)   | (437,144.26)                   | (1,250.00)       |
|  | Increase (decrease) in trade payables - related party          |                                  | -                | -                              | 451,010.63       |
|  | Increase (decrease) in trade payables - other parties          |                                  | 28,029,252.37    | 21,354,800.16                  | (3,348,177.61)   |
|  | Increase (decrease) other payables                             |                                  | 49,925,428.15    | 50,806,856.03                  | 17,191,476.98    |
|  | Increase (decrease) in other current liabilities - others      |                                  | 2,973,062.28     | 1,061,868.08                   | 2,064,540.27     |
|  | Others non-current liabilities                                 |                                  |                  |                                |                  |
|  | - Increase (decrease) in employees' benefit obligation         | 14                               | (4,212,838.00)   | (2,352,439.00)                 | (1,928,761.00)   |
|  | - Increase (decrease) in - Employee deposit                    |                                  | 88,500.00        | 137,000.00                     | (1,000.00)       |
|  | Net cash received (paid) from operation                        |                                  | 329,690,137.79   | 592,647,881.87                 | 186,165,448.08   |
|  | Payment of interest expenses                                   |                                  | (1,362,420.87)   | (1,432,209.65)                 | (351.29)         |
|  | Payment of Corporate income tax                                |                                  | (91,641,842.34)  | (56,102,813.05)                | (25,195,096.70)  |
|  | Net cash provided by (Used in) operating activities            |                                  | 236,685,874.58   | 535,112,859.17                 | 160,970,000.09   |

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  |      | B A H T                          |                  |                                |                  |
|--|------|----------------------------------|------------------|--------------------------------|------------------|
|  |      | Consolidated Financial Statement |                  | Separarate Financial Statement |                  |
|  |      | For the year ended December 31   |                  | For the year ended December 31 |                  |
|  | NOTE | 2018                             | 2017             | 2018                           | 2017             |
| CASH FLOWS FROM INVESTING ACTIVITIES :                 |      |                                  |                  |                                |                  |
| Cash proceed (paid) on sales (purchase)                |      |                                  |                  |                                |                  |
| - for temporary investment                             | 5.1  | 171,383,425.62                   | (313,568,179.13) | 171,383,425.62                 | (313,568,179.13) |
| Cash paid to purchase available-for-sale securities    | 5.2. | (59,996,794.54)                  | (5,000,000.00)   | (59,996,794.54)                | (5,000,000.00)   |
| Cash proceed (paid) for short-term loan to subsidiary  | 3.2  | -                                | -                | 163,000,000.00                 | 237,000,000.00   |
| Acquisition of property, plant and equipment           | 9    | (54,605,277.88)                  | (27,561,072.37)  | (21,658,743.93)                | (2,036,295.03)   |
| Cash received from sales of property and equipment     |      | 1,465,284.84                     | 1,956,513.17     | 32,848.24                      | 1,265,587.72     |
| Acquisition of intangible assets                       |      | (6,359,400.00)                   | (684,400.00)     | (1,000,000.00)                 | -                |
| Net cash provide by (Used in) investing activities     |      | 51,887,238.04                    | (344,857,138.33) | 251,760,735.39                 | (82,338,886.44)  |
| CASH FLOWS FROM FINANCING ACTIVITIES                   |      |                                  |                  |                                |                  |
| Dividend Paid  | 17   | (410,206,517.00)                 | (97,300,000.00)  | (410,050,000.00)               | (97,300,000.00)  |
| Bank overdrafts and short-term loans received from     |      |                                  |                  |                                |                  |
| - financial institutions increase(decrease)            |      | 138,162,831.78                   | (90,000,000.00)  | -                              | -                |
| Net Cash Provided by (Used in) Financing Activities    |      | (272,043,685.22)                 | (187,300,000.00) | (410,050,000.00)               | (97,300,000.00)  |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET |      | 16,529,427.40                    | 2,955,720.84     | 2,680,735.48                   | 5,907,599.68     |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD         | 4    | 43,886,712.04                    | 40,930,991.20    | 14,079,819.03                  | 8,172,219.35     |
| CASH AND CASH EQUIVALENTS, END OF PERIOD               | 4    | 60,416,139.44                    | 43,886,712.04    | 16,760,554.51                  | 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 INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**1. GENERAL INFORMATION**

**1.1 General matter**

SABINA PUBLIC COMPANY LIMITED (Formerly J & D Apprarel 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, Nakonpathom 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 interim 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 interim financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the interim financial statements in Thai language shall prevail.

## **1.3 Basis for preparation of consolidated of interim 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%.

In October 2018, an extra ordinary shareholder meeting no 1/2018 of a subsidiary has approved to pay dividend for the year 2017 to shareholders, at Baht 104 per share amount of Baht 150.80 million. The dividend was paid on October 10, 2018. The Company received a dividend of Baht 150.64 million in the fourth quarter of 2018. Effecting to "net book value of subsidiary company which exceed cost of investment" in shareholders' equity of consolidated financial statements of Baht 202.44 million decreased to Baht 51.80 million.

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

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

During the year, Company 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, 2018. Adoption of the above financial reporting standards in the current period do 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 interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1 in the year indicated as follows:

|                     |   | <u>Year effective</u> |
|---------------------|---|-----------------------|
| Accounting Standard |   |                       |
| TAS                 | 1 Presentation of Financial Statements (revised 2018)   | 2019                  |
| TAS                 | 2 Inventories (revised 2018)  | 2019                  |
| TAS                 | 7 Statement of Cash Flows (revised 2018)  | 2019                  |
| TAS                 | 8 Accounting Policies, Changes in Accounting<br>Estimates and Errors (revised 2018)           | 2019                  |
| TAS                 | 10 Events after the Reporting Period (revised 2018)   | 2019                  |
| TAS                 | 12 Income Taxes (revised 2018)  | 2019                  |
| TAS                 | 16 Property, Plant and Equipment (revised 2018)   | 2019                  |
| TAS                 | 17 Leases (revised 2018)  | 2019                  |
| TAS                 | 19 Employee Benefits (revised 2018)   | 2019                  |
| TAS                 | 20 Accounting for Government Grants and Disclosure of<br>Government Assistance (revised 2018) | 2019                  |
| TAS                 | 21 The Effects of Changes in Foreign Exchange Rates (revised 2018)                            | 2019                  |
| TAS                 | 23 Borrowing Costs (revised 2018)   | 2019                  |



|                                     |    |   | <u>Year effective</u> |
|-------------------------------------|----|---|-----------------------|
| TAS                                 | 24 | Related Party Disclosures (revised 2018)  | 2019                  |
| TAS                                 | 26 | Accounting and Reporting by Retirement Benefit Plans (revised 2018)                         | 2019                  |
| TAS                                 | 27 | Separate Financial Statements (revised 2018)  | 2019                  |
| TAS                                 | 28 | Investments in Associates and Joint Ventures (revised 2018)                                 | 2019                  |
| TAS                                 | 29 | Financial Reporting in Hyperinflationary Economies (revised 2018)                           | 2019                  |
| TAS                                 | 32 | Financial Instruments: Presentation   | 2020                  |
| TAS                                 | 33 | Earnings per Share (revised 2018)   | 2019                  |
| TAS                                 | 34 | Interim Financial Reporting (revised 2018)  | 2019                  |
| TAS                                 | 36 | Impairment of Assets (revised 2018)   | 2019                  |
| Accounting Standard                 |    |   |                       |
| TAS                                 | 37 | Provisions, Contingent Liabilities and Contingent Assets (revised 2018)                     | 2019                  |
| TAS                                 | 38 | Intangible Assets (revised 2018)  | 2019                  |
| TAS                                 | 40 | Investment Property (revised 2018)  | 2019                  |
| TAS                                 | 41 | Agriculture (revised 2018)  | 2019                  |
| Financial Reporting Standard        |    |   |                       |
| TFRS                                | 1  | First - time Adoption of Thai Financial Reporting Standards                                 | 2019                  |
| TFRS                                | 2  | Share - based Payment (revised 2018)  | 2019                  |
| TFRS                                | 3  | Business Combinations (revised 2018)  | 2019                  |
| TFRS                                | 5  | Non - current Assets Held for Sale and Discontinued Operations (revised 2018)               | 2019                  |
| TFRS                                | 6  | Exploration for and Evaluation of Mineral Resources (revised 2018)                          | 2019                  |
| TFRS                                | 7  | Financial Instruments : Disclosures   | 2020                  |
| TFRS                                | 8  | Operating Segments (revised 2018)   | 2019                  |
| TFRS                                | 9  | Financial Instruments   | 2020                  |
| TFRS                                | 10 | Consolidated Financial Statements (revised 2018)  | 2019                  |
| TFRS                                | 11 | Joint Arrangements (revised 2018)   | 2019                  |
| TFRS                                | 12 | Disclosure of Interests in Other Entities (revised 2018)                                    | 2019                  |
| TFRS                                | 13 | Fair Value Measurement (revised 2018)   | 2019                  |
| TFRS                                | 15 | Revenue from Contracts with Customers   | 2019                  |
| Accounting Standard Interpretations |    |   |                       |
| TSIC                                | 10 | Government Assistance - No Specific Relation to<br>Operating Activities (revised 2018)      | 2019                  |
| TSIC                                | 15 | Operating Leases - Incentives (revised 2018)  | 2019                  |
| TSIC                                | 25 | Income Taxes - Changes in the Tax Status of an Entity<br>or its Shareholders (revised 2018) | 2019                  |

|  |   | <u>Year effective</u> |
|--|---|-----------------------|
| TSIC   | 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018)                        | 2019                  |
| TSIC   | 29 Service Concession Arrangements: Disclosures (revised 2018)  | 2019                  |
| TSIC   | 32 Intangible Assets - Web Site Costs (revised 2018)  | 2019                  |
| Financial Reporting Standard Interpretations |   |                       |
| TFRIC  | 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2018)                             | 2019                  |
| TFRIC  | 4 Determining whether an Arrangement contains a Lease (revised 2018)  | 2019                  |
| Financial Reporting Standard Interpretations |   |                       |
| TFRIC  | 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2018) | 2019                  |
| TFRIC  | 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2018)    | 2019                  |
| TFRIC  | 10 Interim Financial Reporting and Impairment (revised 2018)  | 2019                  |
| TFRIC  | 12 Service Concession Arrangements (revised 2018)   | 2019                  |
| TFRIC  | 14 TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2018)   | 2019                  |
| TFRIC  | 16 Hedges of a Net Investment in a Foreign Operation  | 2020                  |
| TFRIC  | 17 Distributions of Non - Cash Assets to Owners (revised 2018)  | 2019                  |
| TFRIC  | 19 Extinguishing Financial Liabilities with Equity Instruments  | 2020                  |
| TFRIC  | 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2018)   | 2019                  |
| TFRIC  | 21 Levies (revised 2018)  | 2019                  |

The management of the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statements year beginning on or after January 1, 2019 that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 19, TAS 21, TAS 23, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8, TFRS 13 and TFRS 15 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.

And the management of the Company is currently evaluating the impact of TAS, TFRS and TFRIC which are effective for financial statements year beginning on or after January 1, 2020 to the financial statements when they are adopted.

## **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

The Company and its subsidiary recognize salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries' 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 and its subsidiary recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Company and its subsidiaries recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Company and its subsidiaries' plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

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, 2018 and 2017 are as follows :

|  | BAHT                             |              |                              |                |
|--|----------------------------------|--------------|------------------------------|----------------|
|  | Consolidated Financial Statement |              | Separate Financial Statement |                |
|  | Dec-31, 2018                     | Dec-31, 2017 | Dec-31, 2018                 | Dec-31, 2017   |
| <b>ASSETS</b>                          |                                  |              |                              |                |
| <b>3.1 Trade Receivable</b>            |                                  |              |                              |                |
| <u>Subsidiary Company</u>              |                                  |              |                              |                |
| Sabina Fareast Co., Ltd.               | -                                | -            | 390,472,452.07               | 286,789,335.44 |
| Less : Allowance for doubtful account  | -                                | -            | -                            | -              |
| Trade receivable – Related parties net | -                                | -            | 390,472,452.07               | 286,789,335.44 |

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              |                |                  |                   | Transfer<br>Pricing<br>Policy |
|---------------------------|-------------------|----------------|------------------|-------------------|-------------------------------|
|                           | Balance           |                | Balance          |                   |                               |
|                           | As of             | Increase       | Decrease         | As of             |                               |
|                           | December 31, 2017 |                |                  | December 31, 2018 |                               |
| <u>Subsidiary Company</u> |                   |                |                  |                   |                               |
| Sabina Fareast Co., Ltd.  | 178,000,000.00    | 160,000,000.00 | (323,000,000.00) | 15,000,000.00     | 2.9% p.a.                     |
|                           | 178,000,000.00    | 160,000,000.00 | (323,000,000.00) | 15,000,000.00     |                               |

|                                    | BAHT                             |                   |                              |                   |
|------------------------------------|----------------------------------|-------------------|------------------------------|-------------------|
|                                    | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|                                    | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| <b>Liability</b>                   |                                  |                   |                              |                   |
| <b>3.3 Account Payable</b>         |                                  |                   |                              |                   |
| <u>Subsidiary Company</u>          |                                  |                   |                              |                   |
| Sabina Fareast Co., Ltd.           | -                                | -                 | 3,593,354.54                 | 3,142,343.91      |
| Accounts payable – Related parties | -                                | -                 | 3,593,354.54                 | 3,142,343.91      |

**3.4 Related party transactions** for the year ended December 31, 2018 and 2017 are as follows :

|                                  | BAHT                             |                   |                              |                   | Transfer       |
|----------------------------------|----------------------------------|-------------------|------------------------------|-------------------|----------------|
|                                  | Consolidated Financial Statement |                   | Separate Financial Statement |                   | Pricing        |
|                                  | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 | Policy         |
| <b><u>Subsidiary company</u></b> |                                  |                   |                              |                   |                |
| Sales of finished goods          | -                                | -                 | 762,476,817.00               | 681,675,105.00    | Contract price |
| Sawing service cost              | -                                | -                 | 102,798,142.00               | 35,785,030.00     | "              |
| Purchase of raw materials        | -                                | -                 | 20,145,762.67                | 13,617,413.45     | "              |
| Rental income                    | -                                | -                 | 234,000.00                   | 234,000.00        | "              |
| Rent of office space             |                                  |                   |                              |                   |                |
| -and warehouse                   | -                                | -                 | 1,710,000.00                 | 1,710,000.00      | "              |
| Cutting service cost             | -                                | -                 | 23,884,364.63                | 15,862,284.43     | "              |
| Interest income                  | -                                | -                 | 3,199,432.90                 | 11,782,662.78     | "              |
| Dividend received                | -                                | -                 | 150,643,480.00               | -                 |                |

**3.5 MANAGEMENT REMUNERATIONS**

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

Management remuneration for the year ended December 31, 2018 and 2017 as follow ;

|                             | BAHT                             |               |                              |               |
|-----------------------------|----------------------------------|---------------|------------------------------|---------------|
|                             | Consolidated Financial Statement |               | Separate Financial Statement |               |
|                             | 2018                             | 2017          | 2018                         | 2017          |
| Benefits – Short-term       | 40,843,241.37                    | 37,862,582.10 | 40,843,241.37                | 37,862,582.10 |
| Benefits – After retirement | 4,126,993.00                     | 2,112,241.00  | 4,126,993.00                 | 2,112,241.00  |
| Benefits – Long-term        | -                                | -             | -                            | -             |
| Total                       | 44,970,234.37                    | 39,974,823.10 | 44,970,234.37                | 39,974,823.10 |

**4. CASH AND CASH EQUIVALENTS**

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of December 31, 2018 and 2017 are consisted as follows :

|   | BAHT                             |                   |                              |                   |
|---|----------------------------------|-------------------|------------------------------|-------------------|
|   | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|   | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| Cash                                    | 6,622,894.05                     | 4,565,091.55      | 268,573.25                   | 323,992.25        |
| Cash at banks and financial institution | 53,793,245.39                    | 39,321,620.49     | 16,491,981.26                | 13,755,826.78     |
| Total Cash and Cash Equivalents         | 60,416,139.44                    | 43,886,712.04     | 16,760,554.51                | 14,079,819.03     |

**5. TEMPORARY INVESTMENT**

Temporary investment as of December 31, 2018 and 2017 are consisted as follows :

**5.1 INVESTMENT IN MUTUAL FUND**

|                                     | BAHT                             |                   |                              |                   |
|-------------------------------------|----------------------------------|-------------------|------------------------------|-------------------|
|                                     | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|                                     | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| Investment in Commercial paper fund |                                  |                   |                              |                   |
| K-Treasury Fund                     | 198,055,487.43                   | 369,438,913.05    | 198,055,487.43               | 369,438,913.05    |
| Total Temporary Investments         | 198,055,487.43                   | 369,438,913.05    | 198,055,487.43               | 369,438,913.05    |

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

As of December 31, 2018 and 2017 Investment in available-for-sale securities of the Company and its subsidiary are as follow ;

|                     | BAHT  |                          |                |                   |                          |               |
|---------------------|---|--------------------------|----------------|-------------------|--------------------------|---------------|
|                     | Consolidated Financial Statement / Separate Financial Statement |                          |                |                   |                          |               |
|                     | December 31, 2018   |                          |                | December 31, 2017 |                          |               |
|                     | Cost  | Unrealized Profit (loss) | Fair Value     | Cost              | Unrealized Profit (loss) | Fair Value    |
| Marketable Security | 162,756,794.54  | (61,839,952.74)          | 100,916,841.80 | 102,760,000.00    | (47,635,000.00)          | 55,125,000.00 |
| Total               | 162,756,794.54  | (61,839,952.74)          | 100,916,841.80 | 102,760,000.00    | (47,635,000.00)          | 55,125,000.00 |

Movement of the unrealized profit (loss) of the available-for-sale securities for the year ended

December 31, 2018 are as follow ;

|                                 | BAHT                             |                              |
|---------------------------------|----------------------------------|------------------------------|
|                                 | Consolidated Financial Statement | Separate Financial Statement |
| Balance as of January 1, 2018   | 55,125,000.00                    | 55,125,000.00                |
| The increaseduring the year     | 59,990,794.54                    | 59,990,794.54                |
| Movementduring the year         | (14,198,952.74)                  | (14,198,952.74)              |
| Balance as of December 31, 2018 | 100,916,841.80                   | 100,916,841.80               |



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

Trade receivables – other parties as of December 31, 2018 and 2017 are consisted as follows :

|   | BAHT                             |                       |                              |                   |
|---|----------------------------------|-----------------------|------------------------------|-------------------|
|   | Consolidated Financial Statement |                       | Separate Financial Statement |                   |
|   | December 31, 2018                | December 31, 2017     | December 31, 2018            | December 31, 2017 |
| Trade receivables– other parties            | 402,269,830.69                   | 341,980,008.84        | 664,484.29                   | 487,388.72        |
| <u>Less:</u> Allowance for doubtful account | -                                | -                     | -                            | -                 |
| Trade receivables–other parties - net       | <u>402,269,830.69</u>            | <u>341,980,008.84</u> | <u>664,484.29</u>            | <u>487,388.72</u> |

As of December 31, 2018 and 2017 trade receivables–other parties were classified by aging of debt outstanding are as follows :

|                                       | BAHT                             |                       |                              |                   |
|---------------------------------------|----------------------------------|-----------------------|------------------------------|-------------------|
|                                       | Consolidated Financial Statement |                       | Separate Financial Statement |                   |
|                                       | December 31, 2018                | December 31, 2017     | December 31, 2018            | December 31, 2017 |
| Trade receivables– other parties      |                                  |                       |                              |                   |
| - Current                             | 375,275,858.33                   | 321,180,253.63        | 664,484.29                   | 487,388.72        |
| - Overdue 0 - 3 months                | 14,891,605.61                    | 5,091,859.70          | -                            | -                 |
| - Overdue 4 - 6 months                | 8,113,777.50                     | 8,947,339.51          | -                            | -                 |
| - Overdue 7 - 12 months               | 3,988,589.25                     | 1,937,239.00          | -                            | -                 |
| - Overdue over 12 month               | -                                | 4,823,317.00          | -                            | -                 |
| Trade receivables–other parties - net | <u>402,269,830.69</u>            | <u>341,980,008.84</u> | <u>664,484.29</u>            | <u>487,388.72</u> |

**7. INVENTORIES - NET**

As of December 31, 2018 and 2017 inventories – net are consisted as follows :

|                                     | BAHT                             |                        |                              |                       |
|-------------------------------------|----------------------------------|------------------------|------------------------------|-----------------------|
|                                     | Consolidated Financial Statement |                        | Separate Financial Statement |                       |
|                                     | December 31, 2018                | December 31, 2017      | December 31, 2018            | December 31, 2017     |
| Finished goods                      | 885,083,440.04                   | 811,184,015.04         | -                            | 3,243,297.11          |
| Work in process                     | 141,389,866.47                   | 131,444,655.25         | 101,599,352.05               | 92,276,080.46         |
| Raw materials                       | 50,136,693.44                    | 43,686,322.78          | 19,235,647.43                | 16,336,515.40         |
| Supplies                            | 6,555,906.06                     | 4,662,964.83           | 2,790,635.95                 | 1,600,618.04          |
| Inventories in transit              | 50,337,082.58                    | 658,149.71             | -                            | -                     |
| Total                               | 1,133,502,988.59                 | 991,636,107.61         | 123,625,635.43               | 113,456,511.01        |
| <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>1,117,502,988.59</u>          | <u>975,636,107.61</u>  | <u>123,625,635.43</u>        | <u>113,456,511.01</u> |

As of December 31, 2018 and 2017 the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 176,258,500.00 and Baht 178,608,500.00 respectively (eliminated in consolidated financial statement).

Movement of allowance for obsolete inventories account for the year ended December 31, 2018 is as follow;

|                                 | BAHT          |          |
|---------------------------------|---------------|----------|
|                                 | Consolidated  | Separate |
| Balance as of January 1, 2018   | 16,000,000.00 | -        |
| Increase during the year        | -             | -        |
| Balance as of December 31, 2018 | 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, 2017                     | Increase               | Decrease               | Transfer - In        | Transfer - Out         | Dec-31, 2018            |
| <b><u>COST :</u></b>               |                                  |                        |                        |                      |                        |                         |
| Land                               | 118,492,674.50                   | 520,000.00             | -                      | -                    | -                      | 119,012,674.50          |
| Building & building                | 317,744,974.72                   | -                      | -                      | 10,477,942.72        | -                      | 328,222,917.44          |
| Machinery & equipment              | 279,057,882.43                   | 18,615,900.00          | (112,500.00)           | 5,121,778.92         | -                      | 302,683,061.35          |
| Tools & supplies                   | 13,691,637.99                    | 1,883,499.80           | (1,261.68)             | -                    | -                      | 15,573,876.11           |
| Furniture & fixture                | 146,538,996.06                   | 1,759,272.65           | (2,700.00)             | 9,812,124.75         | -                      | 158,107,693.46          |
| Office equipments                  | 55,094,118.05                    | 2,353,547.20           | (1,056,947.79)         | 102,409.90           | -                      | 56,493,127.36           |
| Vehicles                           | 40,905,188.22                    | -                      | (6,723,330.84)         | -                    | -                      | 34,181,857.38           |
| Other equipments                   | 944,900.22                       | 15,112.15              | -                      | -                    | -                      | 960,012.37              |
| Construction in progress           | -                                | 387,406.43             | -                      | -                    | (387,406.43)           | -                       |
| Computer & equipment               | 47,072,361.52                    | 7,546,522.90           | (2,751,640.19)         | -                    | -                      | 51,867,244.23           |
| Assets installation in progress    | 3,994,683.11                     | 21,524,016.75          | -                      | -                    | (25,126,849.86)        | 391,850.00              |
| Total cost                         | <u>1,023,537,416.82</u>          | <u>54,605,277.88</u>   | <u>(10,648,380.50)</u> | <u>25,514,256.29</u> | <u>(25,514,256.29)</u> | <u>1,067,494,314.20</u> |
| <b><u>Less: Accumulated</u></b>    |                                  |                        |                        |                      |                        |                         |
| Building & building                | (240,455,931.88)                 | (11,076,519.33)        | -                      | -                    | -                      | (251,532,451.21)        |
| Machinery & equipment              | (248,292,099.47)                 | (7,620,913.36)         | 81,019.98              | -                    | -                      | (255,831,992.85)        |
| Tools & supplies                   | (11,935,994.13)                  | (771,805.45)           | 1,260.68               | -                    | -                      | (12,706,538.90)         |
| Furniture & fixture                | (110,852,871.81)                 | (16,541,412.93)        | 2,699.00               | -                    | -                      | (127,391,585.74)        |
| Office equipments                  | (47,188,273.46)                  | (3,125,929.74)         | 1,041,140.64           | -                    | -                      | (49,273,062.56)         |
| Vehicles                           | (39,404,543.45)                  | (339,999.60)           | 6,723,318.84           | -                    | -                      | (33,021,224.21)         |
| Other equipments                   | (887,224.92)                     | (21,035.88)            | -                      | -                    | -                      | (908,260.80)            |
| Computer & equipment               | (41,062,746.91)                  | (4,855,303.21)         | 2,751,410.58           | -                    | -                      | (43,166,639.54)         |
| Total accumulated depreciation     | <u>(740,079,686.03)</u>          | <u>(44,352,919.50)</u> | <u>10,600,849.72</u>   | <u>-</u>             | <u>-</u>               | <u>(773,831,755.81)</u> |
| Property, plants and equipment-net | <b>283,457,730.79</b>            |                        |                        |                      |                        | <b>293,662,558.39</b>   |

Depreciation for the year ended December 31, 2018 and 2017 has been included in cost of goods sold, and selling and administrative expenses as follows :

|                                     | BAHT                 |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | 2018                 | 2017                 |
| Cost of goods sold                  | 20,956,363.12        | 21,968,175.90        |
| Selling and administrative expenses | 23,396,556.38        | 27,773,963.80        |
| Total                               | <b>44,352,919.50</b> | <b>49,742,139.70</b> |

|                                     | BAHT                         |                 |              |               |                |                       |
|-------------------------------------|------------------------------|-----------------|--------------|---------------|----------------|-----------------------|
|                                     | Separate Financial Statement |                 |              |               |                |                       |
|                                     | As of<br>Dec-31, 2017        | Increase        | Decrease     | Transfer - In | Transfer - Out | As of<br>Dec-31, 2018 |
| COST :                              |                              |                 |              |               |                |                       |
| Land                                | 17,424,744.50                | -               | -            | -             | -              | 17,424,744.50         |
| Building & building                 | 144,921,728.79               | -               | -            | 387,406.43    | -              | 145,309,135.22        |
| Machinery & equipment               | 156,881,711.63               | 18,102,900.00   | (112,500.00) | 478,469.07    | -              | 175,350,580.70        |
| Tools & supplies                    | 4,656,589.41                 | 1,016,320.21    | (1,261.68)   | -             | -              | 5,671,647.94          |
| Furniture & fixture                 | 9,911,664.42                 | 610,606.35      | (2,700.00)   | 272,716.92    | -              | 10,792,287.69         |
| Office equipments                   | 7,746,250.28                 | 775,212.80      | (481,581.78) | -             | -              | 8,039,881.30          |
| Vehicles                            | 9,003,299.06                 | -               | -            | -             | -              | 9,003,299.06          |
| Other equipments                    | 944,900.22                   | 15,112.15       | -            | -             | -              | 960,012.37            |
| Construction in progress            | -                            | 387,406.43      | -            | -             | (387,406.43)   | -                     |
| Assets installation in progress     | -                            | 751,185.99      | -            | -             | (751,185.99)   | -                     |
| Total cost                          | 351,490,888.31               | 21,658,743.93   | (598,043.46) | 1,138,592.42  | (1,138,592.42) | 372,551,588.78        |
| Less: Accumulated depreciation      |                              |                 |              |               |                |                       |
| Building & building                 | (104,843,463.28)             | (6,422,437.62)  | -            | -             | -              | (111,295,900.90)      |
| Machinery & equipment               | (144,751,743.47)             | (4,025,950.71)  | 81,019.98    | -             | -              | (148,696,674.20)      |
| Tools & supplies                    | (4,033,430.29)               | (325,533.91)    | 1,260.68     | -             | -              | (4,357,703.52)        |
| Furniture & fixture                 | (9,521,704.04)               | (231,669.58)    | 2,699.00     | -             | -              | (9,750,674.62)        |
| Office equipments                   | (7,481,614.19)               | (222,216.90)    | 481,569.78   | -             | -              | (7,222,261.31)        |
| Vehicles                            | (9,003,292.06)               | -               | -            | -             | -              | (9,003,292.06)        |
| Other equipments                    | (887,224.92)                 | (21,035.88)     | -            | -             | -              | (908,260.80)          |
| Total accumulated depreciation      | (280,552,472.25)             | (11,248,844.60) | 566,549.44   | -             | -              | (291,234,767.41)      |
| Property, plants and equipment -net | 70,938,416.06                |                 |              |               |                | 81,316,821.37         |

Depreciation for the year ended December 31,2018 and 2017 has been included in cost of goods sold, and selling and administrative expenses as follows :

|                                     | BAHT                 |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | 2018                 | 2017                 |
| Cost of goods sold                  | 10,773,922.24        | 10,066,575.68        |
| Selling and administrative expenses | 474,922.36           | 386,943.20           |
| <b>Total</b>                        | <b>11,248,844.60</b> | <b>10,453,518.88</b> |

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, 2017                     |                |          | in           | out            | Dec-31, 2018        |
| Cost:                                   |                                  |                |          |              |                |                     |
| Computer Software                       | 27,913,594.09                    | 808,700.00     | -        | 3,550,700.00 | -              | 28,192,094.09       |
| Software under installation             | -                                | 5,550,700.00   | -        | -            | (3,550,700.00) | 2,000,000.00        |
| Total                                   | 27,913,594.09                    | 6,359,400.00   | -        | 3,550,700.00 | (3,550,700.00) | 34,272,994.09       |
| Less: Accumulated amortization expenses |                                  |                |          |              |                |                     |
| Computer Software                       | (24,364,174.69)                  | (1,299,462.48) | -        | -            | -              | (25,663,637.17)     |
| Total                                   | (24,364,174.69)                  | (1,299,462.48) | -        | -            | -              | (25,663,637.17)     |
| Intangible assets – net                 | <b>3,549,419.40</b>              |                |          |              |                | <b>8,609,356.92</b> |

Amortization expenses for the year ended December 31, 2018 and 2017 has been included as selling and administrative expenses in the consolidated financial statement are as follow ;

|                                     | BAHT         |              |
|-------------------------------------|--------------|--------------|
|                                     | 2018         | 2017         |
| Cost of goods sold                  | 133,379.95   | 202,281.83   |
| Selling and administrative expenses | 1,166,082.53 | 1,198,315.95 |
| Total                               | 1,299,462.48 | 1,400,597.78 |

|   | BAHT                         |              |          |          |                     |
|---|------------------------------|--------------|----------|----------|---------------------|
|   | Separate Financial Statement |              |          |          |                     |
|   | As of Dec-31, 2017           | Increase     | Decrease | Transfer | As of Dec-31, 2018  |
|   |                              |              |          |          |                     |
| Cost:                                   |                              |              |          |          |                     |
| Computer Software                       | 2,469,288.38                 | -            | -        | -        | 2,469,288.38        |
| Software under installation             | -                            | 1,000,000.00 | -        | -        | 1,000,000.00        |
| Total                                   | 2,469,288.38                 | 1,000,000.00 | -        | -        | 3,469,288.38        |
| 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                 | <b>49.00</b>                 |              |          |          | <b>1,000,049.00</b> |

Amortization expenses for the year ended December 31, 2018 and 2017 has been included as selling and administrative expenses in the consolidated financial statement are as follow ;

|                                     | BAHT |      |
|-------------------------------------|------|------|
|                                     | 2018 | 2017 |
| Cost of goods sold                  | -    | -    |
| Selling and administrative expenses | -    | -    |
| Total                               | -    | -    |

#### 11. LEASEHOLD RIGHT -NET

As of December 31, 2018 and 2017 leasehold right – net are consisted as follows :

|                              | BAHT                             |                |          |                       |
|------------------------------|----------------------------------|----------------|----------|-----------------------|
|                              | Consolidated Financial Statement |                |          |                       |
|                              | As of<br>Dec-31, 2017            | Increase       | Decrease | As of<br>Dec-31, 2018 |
| <b><u>LEASHOLD RIGHT</u></b> |                                  |                |          |                       |
| COST                         | 73,968,316.67                    | -              | -        | 73,968,316.67         |
| <u>Less:</u> Accumulated     |                                  |                |          |                       |
| Amortization                 | (56,358,155.06)                  | (4,468,815.24) | -        | (60,826,970.30)       |
| Leasehold Right - net        | <u>17,610,161.61</u>             |                |          | <u>13,141,346.37</u>  |

Amortization for the year ended December 31, 2018 and 2017 has been included in cost of goods sold, and selling and administrative expenses as follows:

|                  | BAHT                             |                     |                              |          |
|------------------|----------------------------------|---------------------|------------------------------|----------|
|                  | Consolidated Financial Statement |                     | Separate Financial Statement |          |
|                  | 2018                             | 2017                | 2018                         | 2017     |
| Selling expenses | 4,468,815.24                     | 4,467,615.13        | -                            | -        |
| Total            | <u>4,468,815.24</u>              | <u>4,467,615.13</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, 2018 and 2017 were consisted of the follows:

|                       | BAHT                             |                   |                              |                   |
|-----------------------|----------------------------------|-------------------|------------------------------|-------------------|
|                       | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|                       | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| Bank overdrafts       | -                                | -                 | -                            | -                 |
| Short term loan       | 120,000,000.00                   | 18,000,000.00     | -                            | -                 |
| Loan on trust receipt | 36,162,831.78                    | -                 | -                            | -                 |
| Total                 | 156,162,831.78                   | 18,000,000.00     | -                            | -                 |

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 1.95% to 7.70% 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, 2018 and 2017 other payables are consisted as follows:

|                         | BAHT                             |                   |                              |                   |
|-------------------------|----------------------------------|-------------------|------------------------------|-------------------|
|                         | Consolidated Financial Statement |                   | Separate Financial Statement |                   |
|                         | December 31, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| Advance for merchandise | 2,347,591.90                     | 5,447,989.86      | 617,697.89                   | 4,899,156.26      |
| Accrued expenses        | 222,109,765.67                   | 169,005,020.22    | 76,789,981.59                | 55,377,522.24     |
| Accrued dividend        | 611,405.11                       | 611,405.11        | 671,881.11                   | 611,405.11        |
| Total                   | 225,068,762.68                   | 175,064,415.19    | 78,079,560.59                | 60,888,083.61     |

**14. EMPLOYEES' BENEFIT OBLIGATION**

Movements of present value of employee benefit obligation for the year ended December 31, 2018 and 2017 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, 2018                     | Dec-31, 2017         | Dec-31, 2018                 | Dec-31, 2017         |
| Employee benefits obligation as of beginning of years | 81,696,070.00                    | 69,570,365.00        | 52,038,450.00                | 44,123,462.00        |
| Payment of Employees' benefit                         | (4,212,838.00)                   | (2,352,439.00)       | (1,928,761.00)               | (590,180.00)         |
| Current service cost and interest cost                | 18,139,914.00                    | 14,478,144.00        | 11,411,711.00                | 8,505,168.00         |
| Employee benefits obligation as of ending of years    | <u>95,623,146.00</u>             | <u>81,696,070.00</u> | <u>61,521,400.00</u>         | <u>52,038,450.00</u> |

Expenses recognized in statements of income for the year ended December 31, 2018 and 2017 are as follow ;

|                      | BAHT                             |                      |                              |                     |
|----------------------|----------------------------------|----------------------|------------------------------|---------------------|
|                      | Consolidated Financial Statement |                      | Separate Financial Statement |                     |
|                      | 2018                             | 2017                 | 2018                         | 2017                |
| Current service cost | 15,937,394.00                    | 12,524,964.00        | 9,881,691.00                 | 7,198,744.00        |
| Interest cost        | 2,202,520.00                     | 1,953,180.00         | 1,530,020.00                 | 1,306,424.00        |
| Total                | <u>18,139,914.00</u>             | <u>14,478,144.00</u> | <u>11,411,711.00</u>         | <u>8,505,168.00</u> |

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of December 31, 2018 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, 2018 as follows :

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 3.07 million (increases Baht 4.18 million)
- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 5.95 million (decrease Baht 5.31 million).
- If the Employee with voluntary resignation before retirement increases ( decreases) by one year for all employees, the employee benefit obligation would decreases Baht 4.00 million (increases Baht 2.30 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.

On December 13, 2018, the National Legislative Assembly approved draft of Labour Protection Act. The main point is increasing the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. At the present, the draft is in the process of announcement in the Government Gazette. If the Act is effective. The provisions for employee benefits of the Company as of December 31, 2018 is calculating by Actuarial, which the amount shall be recorded as expense in the statement of income on the effective date of the Act.

**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 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.

On April 9, 2018, the shareholder meeting no. 1/2018 has approved to pay dividend for the year 2017 to shareholders, at Baht 0.68 per share for the 347.50 million shares, total amount of Baht 236.30 million.

On August 7, 2018, the shareholder meeting no. 3/2018 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.50 per share for the 347.50 million shares, total amount of Baht 173.75 million

On February 20, 2019, the shareholder meeting no. 1/2019 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.54 per share for the 347.50 million shares, total amount of Baht 187.65 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 2018 and 2017 at the rate 20%.

18.1 Income tax expense for the year ended December 31, 2018 and 2017 consisted of ;

|                                       | BAHT                              |                |                               |                |
|---------------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
|                                       | Consolidated financial statements |                | Separate financial statements |                |
|                                       | 2018                              | 2017           | 2018                          | 2017           |
| Income tax charge of current periods  | 129,749,818.81                    | 67,024,011.45  | 23,927,813.96                 | 22,382,773.60  |
| Deferred income tax Expense (Revenue) |                                   |                |                               |                |
| from temporary difference             | -                                 | -              | -                             | -              |
| Effects of deferred income tax        |                                   |                |                               |                |
| from change of tax rates              | (40,486,718.13)                   | (6,356,814.40) | (1,896,590.00)                | (1,582,997.60) |
| Income tax expense presented          |                                   |                |                               |                |
| in the statement of income            | 89,263,100.68                     | 60,667,197.05  | 22,031,223.96                 | 20,799,776.00  |

18.2 Income tax relating to components of statements of comprehensive income – other for the year ended December 31, 2018 and 2017 consisted of :

|   | BAHT                              |                |                               |                |
|---|-----------------------------------|----------------|-------------------------------|----------------|
|   | Consolidated financial statements |                | Separate financial statements |                |
|   | 2018                              | 2017           | 2018                          | 2017           |
| Deferred tax expense (income) presented | 12,367,990.55                     | 9,527,000.00   | 12,367,990.55                 | 9,527,000.00   |
| Deferred income tax relating to;        |                                   |                |                               |                |
| - Investment in marketable securities   | (14,204,952.74)                   | (5,775,000.00) | (14,204,952.74)               | (5,775,000.00) |
| - Actuarial estimates                   | -                                 | -              | -                             | -              |
| Deferred tax expense (income) presented | 2,840,990.55                      | 1,155,000.00   | 2,840,990.55                  | 1,155,000.00   |
| in statement of comprehensive income    | (11,363,962.19)                   | (4,620,000.00) | (11,363,962.19)               | (4,620,000.00) |

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, 2018 and 2017 are presented as the following :

|   | BAHT                              |                |                               |                |
|---|-----------------------------------|----------------|-------------------------------|----------------|
|   | Consolidated financial statements |                | Separate financial statements |                |
|   | 2018                              | 2017           | 2018                          | 2017           |
| Accounting profit before corporate income   | 450,849,959.15                    | 303,810,496.14 | 264,114,783.74                | 106,937,511.32 |
| Corporate income tax rates                  | 20%                               | 20%            | 20%                           | 20%            |
| Accounting profit before corporate income-  |                                   |                |                               |                |
| -Multiply by tax rates                      | 90,169,991.83                     | 60,762,099.22  | 52,822,956.75                 | 21,387,502.26  |
| Effects to deferred income tax              | (40,486,718.13)                   | (6,356,814.40) | (1,896,590.00)                | (1,582,997.60) |
| Effects of income and expenses-             |                                   |                |                               |                |
| - not related to income tax                 | 331,340.00                        | 1,023,260.00   | -                             | -              |
| Income tax effects that is nondeductible in |                                   |                |                               |                |
| Calculation of profit:                      |                                   |                |                               |                |
| - BOI Privileges                            | -                                 | -              | -                             | -              |
| - Revenue exempted in tax calculation       | 35,232,873.18                     | 3,299,050.46   | (31,203,352.79)               | (632,622.95)   |
| -Nondeductible expenses                     | 4,015,613.80                      | 1,939,601.77   | 2,308,210.00                  | 1,627,894.28   |
| Income tax expense presented in the -       |                                   |                |                               |                |
| Statement of Income                         | 89,263,100.68                     | 60,667,197.05  | 22,031,223.96                 | 20,799,776.00  |

## 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<br>Dec-31, 2018             | As at<br>Dec-31, 2017 | As at<br>Dec-31, 2018         | As at<br>Dec-31, 2017 |
| <u>Deferred tax assets</u>          |                                   |                       |                               |                       |
| Investment in marketable securities | 12,367,990.55                     | 9,527,000.00          | 12,367,990.55                 | 9,527,000.00          |
| Consignment receivable              | 241,541,749.22                    | 208,144,659.42        | -                             | -                     |
| Allowance for impairment of         | 3,200,000.00                      | 3,200,000.00          | -                             | -                     |
| Employee benefit obligation         | 19,124,629.20                     | 16,339,214.00         | 12,304,280.00                 | 10,407,690.00         |
| Total                               | 276,234,368.97                    | 237,210,873.42        | 24,672,270.55                 | 19,934,690.00         |
| <u>Deferred tax liabilities</u>     |                                   |                       |                               |                       |
| Consignment inventories             | (70,543,735.17)                   | (74,847,948.30)       | -                             | -                     |
| Total                               | (70,543,735.17)                   | (74,847,948.30)       | -                             | -                     |
| <u>Deferred tax assets – net</u>    | 205,690,633.80                    | 162,362,925.12        | 24,672,270.55                 | 19,934,690.00         |

**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, 2018 are as follow ;

**The Company**

| <u>For the period</u>            | <u>Unit (Million baht)</u> |
|----------------------------------|----------------------------|
| Not over 1 year                  | 0.71                       |
| Over 1 year but not over 5 years | -                          |
| Over 5 years                     | -                          |
| Total                            | <u>0.71</u>                |

**The Subsidiary Company**

| <u>For the period</u>            | <u>Unit (Million baht)</u> |
|----------------------------------|----------------------------|
| Not over 1 year                  | 65.20                      |
| Over 1 year but not over 5 years | 72.80                      |
| Over 5 years                     | 0.16                       |
| Total                            | <u>138.16</u>              |

**20.2 Letter of bank guarantee**

As of December 31, 2018 and 2017, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

| <u>Objective</u>                   | <u>BAHT</u>                             |                          |                                     |                          |
|------------------------------------|---|--------------------------|-------------------------------------|--------------------------|
|                                    | <u>Consolidated Financial Statement</u> |                          | <u>Separate Financial Statement</u> |                          |
|                                    | <u>December 31, 2018</u>                | <u>December 31, 2017</u> | <u>December 31, 2018</u>            | <u>December 31, 2017</u> |
| 1. Guarantee for Custom Department | 1.36                                    | 0.50                     | -                                   | -                        |
| 2. Others                          | 3.25                                    | 3.25                     | 1.34                                | 1.34                     |
| Total                              | <u>4.61</u>                             | <u>3.75</u>              | <u>1.34</u>                         | <u>1.34</u>              |

**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, 2018 and 2017, 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, 2018                | December 31, 2017 | December 31, 2018            | December 31, 2017 |
| <b><u>ASSETS</u></b>      |                                  |                   |                              |                   |
| US Dollar                 | 535,453.39                       | 162,410.53        | 49,884.43                    | 15,591.50         |
| Hong Kong Dollar          | -                                | -                 | -                            | -                 |
| Euro Dollar               | -                                | -                 | -                            | -                 |
| Pound Sterling            | 726,969.35                       | 726,886.65        | -                            | -                 |
| <b><u>LIABILITIES</u></b> |                                  |                   |                              |                   |
| US Dollar                 | 580,701.98                       | 283,517.48        | 64,057.22                    | 202,492.75        |
| Hong Kong Dollar          | 62,106.00                        | 28,505.90         | -                            | 21,335.00         |
| Euro Dollar               | 4,235.58                         | 400.98            | -                            | -                 |
| Pound Sterling            | 3,384.29                         | 20,343.92         | -                            | -                 |

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, 2018              |   |            |         |         |         |
| <u>Current</u>                       |   |            |         |         |         |
| Temporary Investment                 |   |            |         |         |         |
| <i>Available-for-sale securities</i> | 162,756                                       | 114,097    | -       | -       | 114,097 |

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, 2018 and 2017 are as follows:

| Consolidated Financial Statement (Million Baht) |                   |                 |                 |                   |                 |                 |
|---|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|   | December 31, 2018 |                 |                 | December 31, 2017 |                 |                 |
|   | Export            | Domestic        | Total           | Export            | Domestic        | Total           |
| Revenue   |                   |                 |                 |                   |                 |                 |
| Sales – net                                     | 332.91            | 2,756.93        | 3,089.84        | 260.55            | 2,398.48        | 2,659.03        |
| Services income                                 | -                 | -               | -               | -                 | 3.66            | 3.66            |
|   | <u>332.91</u>     | <u>2,756.93</u> | <u>3,089.84</u> | <u>260.55</u>     | <u>2,402.14</u> | <u>2,662.69</u> |
| Cost of sales                                   |                   |                 | (1,494.85)      |                   |                 | (1,307.11)      |
| Gross profit                                    |                   |                 | 1,594.99        |                   |                 | 1,355.58        |
| Selling and administrative expenses             |                   |                 | (1,155.76)      |                   |                 | (1,066.75)      |
| Net profit from operation                       |                   |                 | <u>439.23</u>   |                   |                 | <u>288.83</u>   |
| Other income and expenses                       |                   |                 |                 |                   |                 |                 |
| Other income                                    |                   |                 | 13.06           |                   |                 | 16.43           |
| Financial cost                                  |                   |                 | (1.44)          |                   |                 | (1.45)          |
| Total other income and expenses                 |                   |                 | <u>11.62</u>    |                   |                 | <u>14.98</u>    |
| Profit before income tax                        |                   |                 | 450.85          |                   |                 | 303.81          |
| Income tax expense                              |                   |                 | (89.26)         |                   |                 | (60.67)         |
| Net profit                                      |                   |                 | <u>361.59</u>   |                   |                 | <u>243.14</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, 2018 and 2017 are as follows :

|                                 | Separate Financial Statement (million Baht) |               |               |                   |               |                |
|---------------------------------|---|---------------|---------------|-------------------|---------------|----------------|
|                                 | December 31, 2018                           |               |               | December 31, 2017 |               |                |
|                                 | Export                                      | Domestic      | Total         | Export            | Domestic      | Total          |
| Revenue                         |   |               |               |                   |               |                |
| Sales – net                     | 35.69                                       | 762.48        | 798.17        | 39.92             | 682.72        | 722.64         |
| Services income                 | -   | 102.80        | 102.80        | -                 | 35.78         | 35.78          |
| Total revenue                   | <u>35.69</u>                                | <u>865.28</u> | <u>900.97</u> | <u>39.92</u>      | <u>718.50</u> | <u>758.42</u>  |
| Cost of sales                   |   |               | (703.16)      |                   |               | (589.11)       |
| Gross profit                    |   |               | 197.81        |                   |               | 169.31         |
| Selling and administrative      |   |               | (91.32)       |                   |               | (83.74)        |
| Net profit from operation       |   |               | <u>106.49</u> |                   |               | <u>85.57</u>   |
| Other income and expenses       |   |               |               |                   |               |                |
| Other income                    |   |               | 157.62        |                   |               | 21.37          |
| Financial cost                  |   |               | -             |                   |               | -              |
| Total other income and expenses |   |               | <u>157.62</u> |                   |               | <u>21.37</u>   |
| Profit before income tax        |   |               | 264.11        |                   |               | 106.94         |
| Income tax expense              |   |               | <u>22.03</u>  |                   |               | <u>(20.80)</u> |
| Net profit                      |   |               | <u>242.08</u> |                   |               | <u>86.14</u>   |

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

#### **Major customer information**

During year 2018, the Company has earned from 3 major customers amounting to Baht 1,070 million.



**23. EXPENSE BY NATURE**

The significant expenses for the years ended December 31, 2018 and 2017 classified by nature are as follow ;

|                               | Baht                             |                  |                              |                |
|-------------------------------|----------------------------------|------------------|------------------------------|----------------|
|                               | Consolidated Financial Statement |                  | Separate Financial Statement |                |
|                               | 2018                             | 2017             | 2018                         | 2017           |
| Changes in finished goods -   |                                  |                  |                              |                |
| - and work in process         | 83,844,636.22                    | (168,643,372.88) | 6,079,974.48                 | 11,733,349.43  |
| Purchase of finished goods    | 152,395,539.80                   | 26,529,521.14    | -                            | -              |
| Raw material and supply usage | 678,427,183.14                   | 495,988,712.74   | 309,075,591.13               | 293,286,540.32 |
| Employees' expenses -         |                                  |                  |                              |                |
| - (Exclude management)        | 700,812,179.07                   | 633,886,886.34   | 148,428,886.93               | 124,228,754.93 |
| Depreciation and Amortization | 50,121,197.22                    | 55,610,352.61    | 11,248,844.60                | 10,453,518.88  |
| Transportation expense        | 14,376,869.72                    | 13,946,812.91    | 17,225.00                    | 14,834.00      |
| Chemical supplies and         |                                  |                  |                              |                |
| -cost of analysis             | 9,775,800.87                     | 4,721,694.31     | 208,815.00                   | 140,750.00     |
| Advertising and promotion     | 94,608,795.23                    | 93,290,082.04    | 75,650.00                    | 155,204.86     |

**24. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statement has been approved by the Company's board of directors on February 20, 2019

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