

Message from the Chairman 2017



The general financial and economic landscape of the world in 2017 seemed to confirm a belief that the long troublesome recession was over. Stock prices continued to move up impressively in most markets, while employment, growth of GDP and international trade also gained positive momentum. Thailand was of no exemption.

The GDP growth rate is anticipated to be as high as 4%, as a result of vibrant export performance and a large surplus in the balance of trade, while massive government investment in infrastructure added rigorous impetus to help foster further growth potential.

Nevertheless, in spite of the widespread optimism, a sense of uncertainty in the geo-political economy still remains.

During the full first year of the Trump presidency, the President lived up to his promised to dismantle and restructure everything and every international agreement that he thought was disadvantageous to the US, and replaced them with bilateral negotiations, where the US had stronger bargaining power. Amongst his audacious policies were, for example, the withdrawal of the US from most multinational economic and trade pacts e.g. the NAFTA, the Trans Pacific Partnership, the Paris Climate Agreement, the harsh sanction on N. Korea, the recognition of Jerusalem as the capital of Israel, and the most drastic anti-globalization of them all, the levy of 'protective tariffs' on selected strategic import items to the US. The "America First" policy has undoubtedly pushed the entire world economy into a new era of uncertainty. If such a woefully nationalistic policy escalated into a 'global trade war', where protectionism reigned and other trade barriers including high import tariffs adopted in place of the today's 'free and less restrictive trade', 'America First' could well turn to be one of the most 'disruptive' forces to the world economy in our modern history.

It remains to be seen how the situation evolves itself in 2018 and the future.

As to the DCTI, even though our operation for the year 2017 did not match that of the 2016's, which happened to be a record year when profits jumped by 70%, we nonetheless managed to earn just about the same level of income (lower by a mere 1%). Our profit decreased by about 6 million baht, i.e. from 31.65 million baht in 2016, to 25.67 million baht in 2017. This was mainly due to an increase in competition and advertising expenses, which was necessary for the future earnings.

A 0.60 baht dividend per share is to be allocated henceforth.

Moreover, I am also pleased to report to all shareholders and other concerns that the company's financial standing remains solidly healthy. Our asset value increased from 385.71 million baht in 2016, to 398.97 million baht in 2017, essentially due to the increase in shareholder equity and to a lesser part to the reduction of liability. It is our long-standing policy to be moderately conservative in risk takings and business expansion, especially during the period of economic uncertainty. At the same time, our high volume of reserves and practically debt-free operation will enable the company to engage in new profitable investment projects whenever future opportunity prevails.

We are earnestly looking forward to a more benign outcome for 2018 and for the years following. Let's hope that the upswing business cycle, which has just started, will continue on unabated, in spite of a certain anti-globalization sentiment. Finally, I would like to take this opportunity to sincerely thank our valued customers, our shareholders, our suppliers, and most of all, our devoted employees, who have always been instrumental to our success and existence throughout all these years.

Thank you



Dr.Sathit Uthaisri

Report on The Supervision, control and look after the business affairs of the D.T.C. Industries Public Company Limited

The Audit Committee has performed its duties as independent and focused on review and internal control, risk management and the good affairs with the internal audit department every quarter by considering the operation, resource usage, property care, prevention or mitigation, damage, wastage including prevention of corruption opportunities. The Audit Committee has performed the legality according to the securities and stock exchange of Thailand as well as other laws related to the business operations of the company.

The Audit Committee has reviewed the consolidated and separate balance sheets both quarterly and for the year together with the auditor on the accuracy and completeness of the financial statements, adjustment the important account which affect to the financial statement, disclose the sufficient data and independent of the auditor to ensure that company has made the financial statements according to the law and the standard of accountancy general to be correct and examined the program involving between the company and its subsidiaries and/or related companies or items that might pose a conflict to any benefits that it is reasonable and useful for the business operations of the company.

In the year 2017, The Audit Committee has been meeting with the auditor and the internal audit in the issue of concern and conclude the result of meeting of the Audit Committee submit to the Board of Directors every time.

The Audit Committee resolved to appoint Miss Chaovana Viwatpanachai, Audit license No4712 or Miss Wanpen Unruan, Auditor license No. 7750 or Miss Pornthip Amornchailerdpattana, Audit license No. 9589 from PITISEVI COMPANY LIMITED as auditors of the company and its subsidiaries for the year 2018.

Sincerely,



(Mrs. Nipa Intharaksa)

Audit Director

Business Overview

History concisely

The company has been operating since year 1963. Later, company was established as a limited company on December 22, 197 and registered with the Stock Exchange of Thailand on April 21, 1994. The company operates in Thailand by manufacture stationery comprising of ball point pens, permanent marker, eraser, pencil, stamp pad and other related products in full cycle for sale in Thailand and export. Company registration no. 0107537001196, having headquarters located at 176 Sukhumvit Rd.64, Bangchak Sub-District, Prakhonong District, Bangkok 10260. Telephone numbers: (662)311-1371-6 Fax numbers: (662)741-4799 and (662)331-5615. Home page: <http://www.lancerpen.com> E-mail: lancerpen@yahoo.com

Vision and Mission

Vision of D.T.C. Industries PLC. "To be a leader for stationery and office supply manufacturing in good quality by using new innovation and technology with good management for continuous progress.

Mission of D.T.C. Industries PLC. "Manufacturing in high quality to meet the customer's requirement and achieve maximum satisfaction. More develop competency both domestic and foreign market. This will lead to added value to shareholders, ensure fairness to employees and workers according to the legal. Look for production systems that do not pollute the environment, operate business with transparency and pay taxes to the state without avoiding.

Business Goal

The Executive Directors aims to broaden the marketing base and strategically conduct business and strategically according to trend of market conditions by increasing market for the OEM pens, other stationery products to provide a full range of stationery supplies. Find channels to distribute ball pen tips that is produced in Thailand and export sales abroad. Enhance the efficiency of product production by developing state-of-the-art technology, produce packaging to reduce cost to create opportunities for sustainable business, long-term growth opportunities in a highly competitive environment.

Progressive and Sustainable Development

D.T.C. Industries PLC. is a listed company operating the industry, produce and distribute under trademark LANCER, CANDY, CHEETAH, CLASSMATE and GOLDMEDAL. Company has started business since 1963. Initially, the founder was solely aimed at importing ballpoint pens which is produced in Europe to distribute in Thailand.

When executives use management efforts establish a business plan for operations and business development until 1971, the ball pen can be produced first in Thailand, produced body, refill and ball pen tip from product creation,

create mould, complete and continuously develop the technology system for making a product without error and can produce products to meet the customer's requirement unlimited.

The company has created the intellectual property of both the patent and trademark, product patent which developed and created by management and staff. Our company has patented the product design of various pen products together both Thai patent and various countries around the world. And there are also valuable trademarks with the Department of Intellectual Property Ministry of Commerce. In particular, the trademark "Lancer" is a leading brand which popularity stationery all the time up till now.

The company operates its own manufacturing business both domestically and internationally by having virtue and morality in business, pay attention to social responsibility (CSR in process) by improve production and strategies used in industrial production and continuous process change.

To optimize the use of raw materials and energy in production, this reduces the cost and minimized the amount of waste that is generated in the production process by reuse or recycle. This will reduce the burden of disposal and search for non-polluting production systems that destroy the environment.

In addition to maintaining the standard level of product which is production of company and subsidiaries company in good quality, long shelf-life, beautiful model and various products with reasonable price. There are public relations through media at present, department store by arranging sales agreements with mall customers to adverrise catalogued products.

To introduce new products or services to target consumers to reach and be closer to the consumer to meet the customer's requirement, make a good and sustainable to shareholders and operate stable and sustainable business. Have opportunity for long term growth.

Shareholding Structure of the Company Group

Subsidiary Companies	Shareholding		Type of Business Subsidiaries	Total Number of Shares	
	%	Type of stock		Released	Number of Shares held
Direct Trading Corporation Limited	99%	Common	Building and Real Estate Rental	15,000	14,580
Summer Sun Corporation Limited	99%	Common	Machinery Rental	1,200,000	1,188,000

Nature of Business

The company operates a single main business, there is no description of the proportion of revenue divided by product lines or key business segments. The company engages in the manufacturing of stationery.

Revenue Structure

Income of the company at December 31, 2017, 2016 and 2015 are as follows :

(Amount : 1,000 Baht Proportion : %)

Shareholding of the company : 100%	2017		2016		2015	
	Income	%	Income	%	Income	%
Domestic sales						
– Ball point pens	210,821	90.68	210,837	88.45	208,991	85.71
– Others	9,277	3.99	13,129	5.51	16,579	6.80
Export						
– Ball point pens	4,437	1.91	7,680	3.22	13,295	5.46
– Others	7,962	3.42	6,713	2.82	4,845	1.99
Total	232,497	100	238,359	100	243,710	100

Products

DTC Industries Public Co., Ltd produces a variety of stationery such as ball-point pens, chemical pens, stamp pads, black pencils and colored pencils out of its own research, design and creativity. DTC Industries owns the copyrights and has got a patent for its product designs and trademark registered. The Products and trademarks are well known and popular among consumers.

Risk Factors

Market: Ball pen market in Thailand and elsewhere remains very competitive. Factors significantly affecting the market share are product designs, quality and prices. The designs change quickly. The government's policy to cut import duties on finished products to 5% and 0% encourages competitors to import pens from china that has a variety of designs, colors and particularly sells at low prices since the labor rate in China is very low and raw material are available in China. However, The quality of Chinese products is still sub-standard. The company is aware of this point, therefore, we have tried to reduce cost and maintain quality level. Also, we have increased new fashioned pen styles by adjusting product styles to be in trend and suit market demand. Additionally, We have increase stationery product to cover all types such as staples, stamp pad. Color pencils, eraser crayon and ruler etc. in order to increase market share in stationery business. Moreover, the company has imported quality ball pens in appropriate price, which no one imports to sell. We expect that import can response market demand in newness.

Production risk The factors affecting production are machine and technology used in production. The machine imported for years must have maintenance and labors are not sufficient. Hence, the company solved the problems by importing modern machine and technology in production in order to produce standardized

quality pens and replace some labor as well as produce the products up to customers' needs. Beside, The company's personnel were sent to be trained in modern technology so that they can develop more efficient technology. This helps in reducing product cost.

Raw materials risk used in producing pens are high quality raw materials mostly imported from foreign countries. They are suitable for using in quality pen production. Importing raw materials leads to high cost in production. Also. The present situations in tax, politics. Foreign currency and higher fuel cost in global market have an effect in importing raw materials. Leading to higher production cost. The company executives tried to solve this problem by finding new source of domestic raw materials, having the same quality as imported ones, to reduce production cost. In addition, this can reduce risk in importing raw materials and the company can compete with the foreign countries competitors.

If the government reduces import duty of raw materials such as wire, plastic resin and ink low as import duty of ready made product. It will be beneficial for domestic producers. Additionally, If the government has measurement in controlling price setting to protect and restrain sale and investment of cross-country business. It will help business operation by Thai people in competing with cross-country business

Other references

Securities registrar	Thailand Securities Depository company Limited Securities Exchange of Thailand Building No.62 Rachadapisek Rd. Klong Toey,Bangkok 10110 Phone:(622)3591200 Fax:(622)359-1259
Auditor for the year 2016	Ms.Wanpen Ounruen (Audit License No. 7750) PITISEVI & COMPANY 8/4 1 st ,3 rd Soi amornpan 4 ,vipavadee Rangsit Rd. Ladysao , chajujak Bangkok 10900
Legal consultants	International legal consultants Company Limited 18 th Floor, Sathorn City Tower 175 South Sathorn Road, Bangkok
Financial Institutions	Thai Military Bank Public Company Limited 3000, Phaholyothin Road, Chatujak, Bangkok 10900 Thanachart Bank Public Company Limited (Rama IV Branch) 2940, Rama IV Road, Klongton, Klongtoey, Bangkok 10110 Krung Thai Bank Public Company Limited (Suan Mali Branch) 20, Yukol 2 Road, Wat Thepsirin, Pomprapsatrupai, Bangkok 10100 Krung Thai Bank Limited 3/15 Sukhumvit Soi 71, Phrakhanong, Bangkok 10110 Siam Commercail Bank Limited 2425/5 Sukhumvit Road, Sukhumvit Rd., Bangchak, Prakhnong, Bangkok 10250 Bank of Ayudhya Limited,Bangkok Noy Branch 631/16 Jarunsanitwong Road,Bangkok Noy,Bangkok 10700 United Overseas Bank Public Company Limited (Sathorn Branch) 191 South-Sathorn Road, Sathorn, Yannava, Bangkok 10120

Shareholders Structure

Shareholder Information of D.T.C. Industries PLC. There are 10 major shareholders as follows :

No.	Name of Shareholders	Number of Share	% of total share
1.	Mr. Por Anavil	6,657,117	66.57
2.	Mrs. Duangsamorn Haotawanich	575,845	5.76
3.	Ms. Jarassri Pongpirodom	484,500	4.85
4.	Mr. Jentas Chawengsethakul	403,500	4.04
5.	Ms. Vipawee Pongpirodom	281,700	2.82
6.	Ms. Wipa Klongprakit	175,000	1.75
7.	Mr. Vichien Srimuninnimitr	170,000	1.70
8.	Ms. Sirincha Sitthichaiviset	161,000	1.61
9.	Ms. Somboon Bonyamanon	151,400	1.51
10.	Mr. Pornarong Chira	97,700	0.98

Source : Securities Depository Center (Thailand) www.tsd.co.th On 20 March 2018

Dividend policy

The company has a policy to pay dividend at the rate of 60 percent of the net profit after corporate income tax.

Turnover for the year 2017, The company has paid dividends to ordinary shareholders 0.60 baht per share. Totally 6 Million Baht by paying within dated 4th May 2018.

Particulars	2017	2016	2015	2014
Profits (losses) per share (Baht)	2.55	3.00	1.77	0.34
Dividends per share (Baht)	0.60	0.70	0.60	0.50
Par value per share (Baht)	10	10	10	10
Dividend payment rate (%)	23.53	23.31	33.90	58.82

Management Structure

Directors structure of directors as follows:

The Board of directors in full quorum namely :

Dr.Sathit Uthaisri	Chairman
Mr.Anothai Techamontrikul	Director
Mrs.Nipa In-tharaksa	Director
Pol.Gen.Parnsiri Prapawat	Director
Ms.Thanittha Wongruamlab	Director
Mr.Por Anavil	Director
Mrs.Duangsamorn Haotawanich	Director
Pol.Maj.Gen. Vatin Comsongsri	Director
Mr.Kittisard Theangrom	Director
Mr.Poonlarb Auesontorn	Director

Scope of power and responsibilities of the board

Every board member is appointed by a resolution of the shareholder's meeting. The board and every Board member have the power and responsibilities to oversee the management of the company to see that the company advances and remains stable according to the law and the company's regulations and objectives, as well as resolutions of the shareholder's meeting.

Executive Committee

Directors of the company resolved to appoint a Committee to be The Executive Committee are composed of Chairman Executive Director, Managing Director and Executive Director. The listed are as follows :

Mr.Anothai Techamontrikul	Chairman Executive Director
Mr.Por Anavil	Executive Director
Mrs.Duangsamorn Haotawanich	Executive Director
Pol.Maj.Gen.Vatin Comsongri	Executive Director
Mr.Poonlarb Auesoontorn	Executive Director

Scope of power and responsibilities of the board of executive directors

The executive directors have the power and responsibilities to manage and direct the operation of the company smoothly. They have to ensure that their co-workers, including every employee of every department do their jobs according to their areas of responsibilities completely, efficiently, effectively, following the company's obligation and the company's memorandum to carefully protect the benefits of every shareholder.

The Auditing Committee namely:

Directors of the company resolved to appoint Committee to be the Audit Committee are composed of Chairman of the Audit Committee, Audit Committee 2 persons and Audit Manager to be the Secretary. The lists are as follows :

Mrs.Nipa In-tharaksa	Chairman of the Audit Committee
Mrs.Thanittha Wongruamlab	Committee
Mr.Kittisard Theangrom	Committee
Mrs.Phannara Thammavongsa	Auditing Committee – Secretary

Scope of power and responsibilities of the Auditing Committee

Audit committee has the authority and function according to company's audit committee regulations; for example, auditing whether internal control system and internal inspection are appropriate and effective, auditing whether the company complies with the exchange law or the law relating to company business.

Including the selection and appointment an independent person to serve as an auditor and offer the remuneration and consider the connected transaction or transactions that may lead to conflict of interest shall be in accordance with the law and SET regulations.

Recruitment of board members and managers

Nomination committee is Corporate Board of Directors and every Director is appointed according to the minutes in the shareholder meeting. Executive Directors are selected and appointed by resolution in the Corporate Board of Director meeting. Every Director as well as Executives have authority and duty to govern and manage by aiming at company progress and stabilization according to laws and regulations, company's objectives and company's regulations as well as the resolution in shareholder meeting.

There is no Director from major shareholders or group of shareholders. Also, there is no right of minor shareholders in appointing the Directors such as cumulative voting. The method used in shareholder meeting, quorum, electing and voting are according to the public company law and Civil and Commercial Code in every respect. In the shareholder meeting, every minor shareholder has the right to attend the meeting and nominate any name to be elected as the Company Directors although that person is not the shareholder. There is no limitation in proportion of the Directors being representatives of the shareholders.

Company Secretary

As of the secretary position is vacant and while the recruiting committee does not find the right people to serve this position. The meeting of the Board of Directors have resolved to appoint Pol.Maj.Gen. Vatin Comsong Sri act on behalf of company secretary.

Personal

As of 31 December 2017, the company had 332 employees, consist of 303 employees in the production line(factory) and 39 office staffs. There were no significant changes in employees and no major labor disputes over the past 3 years.

The company paid monthly salaries and annual bonuses to employees at a reasonable rate in comparison to their contribution to the company and made proper payment to the social security fund.

Employees in every line and division will earn experience working and production. The new entry employees and unskilled employees will be trained until they become skilled employees especially in the every branch of artisans. The company has sent artisans and engineers for training and learning in foreign. For finance and accounting staffs, the company has usually sent them to attend seminars in a variety of courses.

Directors and Management Remunerations

Directors and Management remuneration, The company has complied with the resolutions of the Annual General Meeting of Shareholders No. 2/1994 on 22 March 1994 by paying the remuneration to Directors and Executive Directors 2,000,000 Baht (Two Million Baht Only) per year which is disclosed in the annual disclosure statement (form 56-1) and the company's annual report (form 56-2) consistently, no other compensations.

In the year 2017, on 31 December 2017. The remuneration and attendance fee for the company's 9 director total 6,836,666.64 Baht (Six Million Eight Hundred Thirty Six Thousand Six Hundred Sixty Six and 64/100.) The remuneration of Directors in monetary form is in accordance with the resolutions of the Annual General Meeting of Shareholders no.2/1994 on 22 March 1994 was approved to pay the remunerations to Directors and Executive Directors total 2,000,000 Baht (Two Million Baht only) per year, no other compensations.

Control of the business

The company's Board of directors and Executive Directors operate under the guidelines for good corporate governance set by the SET as follows :

The Fairness of the shareholders and the practice of the company

(1) Policy of the committee

The Committee of the company has made the policy for the committee, every Executive Committee and the management sections of the committee, to aware to every the shareholders both the executive and who are not the executive shareholders the lessor shareholders including the foreign shareholders, all of them are the shareholders company with have the fairness practice in the shareholders meeting, the company has opened the chances to the lessor shareholders to propose the persons to be considered of the election of the committee so on. The subject of the prevention measure of the committee and the executive using the internal data to seek the benefit including the discloser the information data correctly and completely according to the regulation of the Securities and Exchange Commission and The Stock Exchange of Thailand ,it is important work of every committee especially the managing executive to work strictly and seriously.

(2) The practice of the shareholders to be fair

The company has opened the chances to the shareholder attending that can not meet by itself to give the proxy to the other person of the company to attend the meeting and voted on behalf by using the proxy letter in the form of shareholders can direct the way of voting in the proxy letter by informing the lessor shareholders to additional agenda to the meeting before the date of the meeting and submit to the committee fixing the direction of the consideration ,adding of the proposals or not according to the righteousness and suitability.

The ordinary of the year of the shareholder of the election of the committee of the company from the last3 years, has the vote of the election individual and using the entrance cards to cast the vote of the important of the agenda. No adding of the agenda by not notify in advance to the shareholder and no postponement of the said mention for consideration without the concern of the shareholders.

The committee and the Executive have to make report of the discloser of data to the stakeholders of directors and concerned persons and the committee must report the holding of property to Securities and Exchange Commission to be informed within 3 days and notify to the committee through company secretary , the company secretary must inform the meeting by mention in the agenda of the committee by every agenda to the committee of the meeting.

The role of stakeholders and the practice of the company

(1) Policy of the committee

The committee had the policy to do business by stressing to the environment control and to preserve to the good social condition around in order to allow the business existing together with the social local community sustainable forever.

The committee has the policy to let the committee and every executive committee and management of the company to have good consideration with the group of stakeholders and the treatment to the stakeholders of each groups by thinking of basic of the right of the law or agreement stakeholders and not doing any act to abuse the right of the stakeholders and around the company to be ready to pay compensation in case any stakeholders receive the damage to the truth and corrected.

The executive of the company has the measure to set the watching section and receive the information alert and telling abusing the law including the false of the report of the finance including the internal control measure with insufficient and inform the executive committee the audit committee to be informed and to stop and correct on time.

The role of stakeholders and the practice of the company.

The company has indicated of the important groups of the stakeholders consist of the shareholders and investors and employees and the local community with the company suitable the concerned officials the supplier customers and the free auditor for the company concerning the role of stakeholders the basic right according to the basic right and the agreement all the consideration of the stakeholder of each groups in order the company will use the right of principle and suitability to arouse the business company going on smoothly with the existent together with social and local community, the location office and the industrial workshops of the company sustainable forever.

The disclosure of the data and the transparency

(1) Policy of the committee

The committee has the policy for every executive ,every committee including the management of every sections of the company to do business for every steps with the transparency and disclose of such data neither the data of finance the data of subject to be correct as the truth suitability and according to the law and regulation of the Stock Exchange of Thailand and Securities and Exchange Commission both in Thai and English through the website of the company as the chances, the procedure and the fixing time.

(2) The disclosed data and transparency.

The company has disclosed the data and the not of the financial data correctly , completely ,transparency on time through the every channels of the shareholder or the interested public to seek the data fairness and making the report of the responsibility of the committee by the financial report showing with report of the audit. and the report to control and look after the business rightly practice by conclusion including the result of the practicing policy in the report of the information 56-1 and yearly report of the company.

For the remuneration for the committee and executive committee, the committee has followed the vote the ordinary meeting of the shareholders 2/2537 on 22 march 2537, this is fixing the remuneration committee and executive committee totally 2,000,000 baht per year with has been disclosed by the information report 56-1 and the year report.

Subject to the disclose and remuneration of policy

For the committee and senior executive including the form and the description of the remuneration the yearly report the ordinary meeting of the shareholders , the coming year of the meeting of the committee with the consideration to submit the agenda of remuneration for the shareholders ,but the company has the reasons of these persons executive concerning to reserve the human resources, in this case can not disclose the remuneration of the individual committee.

The units of work concerning the related investors, the company has not established to be sections all the specific units but to set the duty to the executive committee who can explain the data and expand the data to be informed and the scope to notify to investors all the public with was responsibility and informed to Securities and exchange Commission and The Stock Exchange of Thailand .

The responsibility of the Committee

(1) Policy of the Committee

The committee has the policy of everyone of the committee to aware of the important of the role of the duty in control and look after the company for the best benefit of the company by the committee will have to be responsible to the result of the practice of duty to the shareholders and free from the management section.

Every committees must have a good understanding to the duty of the responsibility of the committee and free of own opinion and improve itself to be modern all time.

The committee must do duty with honestly ,careful and thoughtful by stressing the best benefit of the company and the fairness the shareholders by let shareholders receive the right and complete the data.Owing to the committee who are the committee of the other company very rare, it is not necessary to make to the procedure to be the directors of the other company, every committees must sacrifice the sufficient time the practice full responsibility and the every committee must bear in mind it is the duty to attend every meetings except in case special reason.

(2) The procedure of the practice of the company

(2.1)The structure of the committee

The company's Board of Directors consists of the committee elected by shareholders meeting set up all together 10 persons ,each committee has the different experience of work and quality of the independent committee totally 5 persons, the committee's meeting has voted to elect independent committee to be the Chairman and company secretary to be responsible and do duty as the law fixed.

The chairman and managing director are not the same persons and to be clear, the committee has the termination of the agenda it must fix the names of the committee who are terminated when the date of the ordinary meeting arrive for the 3 set of copies and has been practiced continuously from the beginning. The meeting of the committee has voted 5 executive committee and the meeting of the executive committee voted the executive committee to be the Chairman.

The meeting of the committee has voted to appoint the committee who are the independent committee and have the qualification as the regulation of Securities and Exchange Commission and The stock Exchange of Thailand fixed to be the Audit control 3 persons and to be the Audit committee 1 person.

For the setting the committee consider the remuneration which does not submit at the meeting of the company and has not considered to be elected because of the remuneration the committee and executive committee have followed according to the votes of ordinary meeting No. 2/1994 ,22 March 1994 so on. That is fixing the remuneration committee and Executive committee 2,000,000 baht for each year and disclose by the information report (56-1) and yearly report every year.

As mentioned of the disclosure of the policy of the remuneration to the committee and the senior committee including the form and the description of the remuneration in the ordinary meeting of the shareholders and every year the meeting of the committee has considered to have the agenda proposing the remuneration of the committee and executive committee to the shareholders to be informed but the company has the reasons of the executive the human resources can not disclose the remuneration of the individual committee.

The subject of the asset of the practice of the company in whole can not mention the individual committee the chairman of the committee to be informed the practice and the result of the work from the meeting so on.

(2.2) The role of the responsibility of the committee

The Board of Directors and all of Committee have a quality of leadership, vision and free making decisions, including the power and the role of the duty to control, look after of the company to be progress, stable and to attend the work of activities rightly and legally and regulation of the company including of the votes of the shareholders.

(2.3) Board of directors' meeting

The committee must consider the approval of the important subject concerning the work of the company, and consider the conflict of the interest the risk of the executive parts usually and most of the committee always attend in the full meeting.

The independent committee and non Executive committee can meet together without Executive committee or the managing Executive to attend the meeting.

The chairman of the committee and the managing committee jointly consider to choose the subjects of the agenda of committee with assurances which important and to propose every meeting and each committees free to submit the subjects of the agenda of the meetings, the Company Secretary will set the meeting of the committee in advance and informed each committee in order to let the committee set the date, time to ordinary meeting and after the meeting.

The practice of the company in the meeting of committee, the Company Secretary will responsible in collecting the data, information or the documents to be considered to the decision of the voting committee which can be self collecting or request from executive committee, the managing committee, Chairman completely and enough to make decision by the documents attached of the meeting for each agenda and sending to committee in advance with the inviting letter less than 14 days.

For every meeting of the committee, Chairman will open the chance to each committee to debate, express opinion propose the difference or inform other data with be good or not good of the point for consideration with will be benefit for company and the shareholders the Chairman will give the sufficient time for everyone, The Chairman and other Committee will listen the different opinion of the proposed committee or the debate.

(2.4) Developing of Committee and Executive Committee.

The Adult hood Committee and senior of the company will develop the newly elected committee by beginning duties since the committee of the company has approached and propose or beginning any names to the meeting of the committee for consideration of voting to propose of the names of the shareholders to consider to elect to be the committee to the company, the proposed the committee will introduce the description and the way of doing business of the company to that person to notified, When these person has been elected to been the company, the managing committee or the Company Secretary will correct the data, the important documents concerning the company, the documents of the regulation of Securities and Exchange Commission and The Stock Exchange of Thailand as the committee company to be notified and kept it for practice then deliver to the receiver to examine as the first occasion. The next development the committee who knows well the roles, regulation and the concerning law related must seek the occasion to meet to talk and debate as usual but try to have chances to interfere the openly data to the does new committee to be acknowledged and inform completely the conversation of the roles regulations with the new committee and the new committee has know well or not the committee who apposed to talk will make assessment.

The next occasion of development, the new committee will study and develop from the real practice the chairman of the committee who has highly knowledge, ability, adulthood and the leadership the far sighted vision and the freedom of making real decision therefore, each meeting the chairman will be kindly explain to the committee and every executive of the company get more knowledge.

The company has a plan to continue the work and develop the executive the training to give the knowledge to the committee, The Audit committee, The Executive, and the Company Secretary always by sending to the seminars for the several courses to the associations, the companies and institutes supported by The Listed company and The Stock Exchange of Thailand.

For the investor relationship, the company has not set up a specific unit but has assigned Executive Director to communicate with the institutional investors, shareholders, as well as stock analysis and authorities concerned. Since the said activities are uncommon, investors can ask for information by phone at number 02-311-1371-6 and by <http://www.lancerpen.com> E-mail: lancerpen@yahoo.com

Financial Position and operating results.

Important financial information

(1) Financial information of D.T.C. Industries PLC. in the past 5 years are as follows :

	2017	2016	2015	2014	2013
Income Statement and Expenses (Unit :Thousand Baht)					
Total Income	240,125	242,441	247,506	238,420	259,216
Total Cost	208,330	203,994	223,826	232,794	239,556
Net Profit (Lost)	25,544	30,070	17,761	3,389	12,245
Net Profit per share (Baht)	2.55	3.00	1.77	0.34	1.22
Consolidated statement of Financial Position (Unit : Thousand Baht)					
Asset Consolidation	398,966	385,714	367,874	344,749	329,689
Debt	46,635	52,053	59,861	51,707	36,390
Total Shareholder's equity	352,331	333,661	308,013	293,039	293,298
Financial Ratio (Unit : %)					
Return on total sales	10.64	12.40	7.26	1.42	4.78
Return on total assets	6.40	7.80	4.83	0.98	3.71

(2)Financial information, summarized financial position and operating results of the company are as follows :

	Unit : Million Baht			Increase (Decrease)	
	2017	2016	2015	2017/2016	2016/2015
Total assets of the company and its subsidiaries	398.97	385.71	367.87	13.26	17.84
Shareholders' equity of the company and its subsidiaries	352.33	333.66	308.01	18.67	25.65
Sales revenue of the company and its subsidiaries	232.50	238.36	243.71	(5.86)	(5.35)
Total revenue of the company and its subsidiaries	240.12	242.44	247.51	(2.32)	(5.07)
Cost of sale of the company and its subsidiaries	145.03	148.95	163.94	(3.92)	(14.99)
Gross profit of the company and its subsidiaries	87.47	89.41	79.77	(9.78)	9.64
Selling and administrative expenses of the company and its subsidiaries	59.43	53.98	59.88	5.45	(5.91)
Net profit (Loss) of the company and its subsidiaries	25.54	30.03	17.70	(4.49)	12.33
Net profit (Loss) per share of the company and its subsidiaries	2.55	3.00	1.77	(0.45)	1.23

Information on bonds or bills. The company did not issue any bills or bonds.

Critical financial ratio

D.T.C. Industries PLC. has a significant financial ratios in the past 3 years are as follows :

Financial Ratio	Unit	2017	2016	2015
Liquidity Ratio				
Liquidity ratio	Times	4.86	3.50	2.65
Quick ratio	Times	2.96	2.09	5.26
Cash flow ratio	Times	1.11	0.46	0.65
Turnover ratio of trade receivables	Times	4.74	4.60	4.57
Average collection period	Day	76	79	79

Financial Ratio	Unit	2017	2016	2015
Inventory turnover ratio	Times	2.34	2.70	2.94
Average selling time	Day	154	134	138
Turnover ratio of creditors	Times	9.90	6.19	6.54
Pay debt period	Day	36	58	55
Average collection period	Day	193	154	166
The profitability ratio				
Gross margin	%	37.62	37.51	37.73
Operating margin	%	10.97	12.60	7.26
Other margins	%	13.24	15.56	9.20
Cash to profitability	%	137.32	75.58	194.49
Net profit margin	%	10.62	12.39	7.15
Return on equity	%	7.24	9.00	5.75
Performance ratio				
Rate of return on assets	%	6.50	7.97	3.26
Rate of return on fixed assets	%	36.43	25.69	15.01
Asset turnover	Times	0.61	0.64	0.46
Financial policy analysis ratio				
Debt to equity ratio (Monetary policy)	Times	0.13	0.16	0.19
Interest capability ratio	Times	118.03	50.47	63.73
Debt to equity ratio (Commitments)	Times	3.43	1.34	0.68
Dividend payout ratio	%	23.53	23.31	33.90

Analysis and description of the management

D.T.C. Industries Plc. And subsidiary companies have the total sales for the year ended Dec 31, 2017 amounting of 240.12 million baht respectively. (2016 : amounting to 242.44 million baht.) The sale decreased by 2.32 million baht total sale decrease in ratio 0.96 of total sale revenue as a result of Local Sale decreased 3.34 million baht, Export Sale decreased 1.99 million baht, estimated return good increased by 0.53 million baht, rental income increased by 1.97 million baht, other income increased 1.57 million baht and total revenue decreased by 2.32 million baht.

Cost of sales for the year ended Dec 31, 2017 amounted to 145.03 million baht. (2016: amounting to 148.95 million baht) The cost of sales decreased by 3.92 million baht, representing a gross margin at Dec 31, 2017 in ratio 37.63 (2016: ratio 37.51) decreased cost As a result, the cost of inventories increased by 4.32 million baht, raw material and production cost increase 3.15 million baht, reserve inventory deterioration decrease 2.07 million baht, utilities expenses and other expenses decrease 0.68 million baht. Total cost decreased by 3.92 million baht.

The cost of sales for the year ended Dec 31, 2017 amounted to 30.39 million baht. (2016: amounting to 26.76 million baht) cost of sales increased by 3.63 million baht (ratio 13.57) due to cost of advertising and support department increased by 2.95 million baht, Rebate estimate increased by 0.74 million baht, Travel expense and other expenses decreased by 0.06 million baht.

The cost of administration for the year ended Dec 31, 2017 amounting to 29.03 million baht. (2016: Baht 27.22 million baht), administrative expenses increased 1.81 million baht. Increase for Exchange losses increased by 1.01 million baht. Salaries, wages and other expenses increased 0.64 million baht, utilities expenses increased 0.16 million baht.

Therefore, D.T.C. Industries Plc. and subsidiary companies had the net profit for the year ended Dec 31, 2017, net profit amounting to 25.50 million baht (2016 : net profit of 30.04 million baht.) The net profit decreased 4.54 million baht.

The net profit per share for the year ended Dec 31, 2017 net profit 2.55 baht. (2016 : net profit amounting 3.00 baht.) the net profit per share decreased by 0.45 baht.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2017, the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED and its subsidiaries and of D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED as at December 31, 2017, and its consolidated and separate financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit 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. My opinion on the consolidated and separate financial statements is not modified with respect to any of the key audit matters described below, and I do not express an opinion on these individual matters.

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

Key Audit Matters (Con't)

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

Key audit matter and how audit procedures respond for each matter are described below.

Valuation of inventories

The Group had significant inventory balance of Baht 64 million (net of allowance for decline in value amounting to Baht 48.92 million) accounting for 16% of total assets. The Group's inventories are stationery, mainly, ball pens which the market is competitive which may affect the sales to be slow down or decline. The Group has policy for setting up allowance for decline in value of inventories to reflect the net realizable value of inventories. The measurement of net realizable value of inventories involves categorization of inventories by the age profile and requires significant management's judgment. Therefore, I considered this as key area in my audit.

My significant audit procedures included inquiring of the management who is responsible for this area to obtain an understanding of the Group's policy to measure the net realizable value of inventories, evaluating the Group's control design and implementation regarding categorization of inventories, evaluating the appropriateness of the assumption used, testing the appropriateness of aging report and considering the adequacy of measurement of net realizable value by comparing the expected selling prices with subsequent document after year ended including considering the estimate of selling expenses with supporting document and historical information.

Other Information

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

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

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

Other Information (Con't)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Wanpen Unruan



(Wanpen Unruan)

Certified Public Accountant (Thailand) No.7750

OFFICE OF PITISEVI CO., LTD.

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

February 26, 2018

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
Note		2017	2016	2017	2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	60,537,877.73	36,918,531.75	52,077,287.07	29,180,135.44
Trade accounts and other current receivables - net	5.2, 7	46,253,162.14	51,774,983.32	58,140,323.77	60,916,126.03
Short - term loan to subsidiary and related companies	5.2	4,000,000.00	-	7,000,000.00	3,000,000.00
Current portion of Long - term loans to subsidiary	5.2	-	-	14,000,000.00	8,000,000.00
Inventories - net	8	64,001,823.15	59,910,843.38	64,001,823.15	59,910,843.38
Others current assets - net		114,436.72	72,040.44	105,885.05	49,111.47
Total current assets		174,907,299.74	148,676,398.89	195,325,319.04	161,056,216.32
NON - CURRENT ASSETS					
Investments in subsidiaries	9	-	-	26,730,000.00	26,730,000.00
Investment in other company	10	51,000.00	51,000.00	51,000.00	51,000.00
Other long - term investments - net	11	9,739,448.00	9,640,536.00	339,448.00	240,536.00
Long - term loans to subsidiary - net	5.2	-	-	41,600,000.00	47,600,000.00
Investment property - net	12	102,834,471.42	105,387,997.10	-	-
Property, plant and equipment - net	13	95,453,330.37	105,099,402.51	89,230,546.28	99,082,408.89
Intangible assets - net	14	580,342.20	650,319.74	580,342.20	650,319.74
Deferred tax assets - net	15	14,635,741.70	14,674,974.80	13,290,858.56	13,339,862.46
Other non - current assets - net		763,989.25	1,533,551.57	374,397.72	1,160,806.16
Total non - current assets		224,058,322.94	237,037,781.72	172,196,592.76	188,854,933.25
TOTAL ASSETS		398,965,622.68	385,714,180.61	367,521,911.80	349,911,149.57

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
	Note	2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts	16	1,575,221.81	9,116,869.06	-	-
Trade accounts and other current payables	5.2, 17	14,383,735.44	14,911,597.36	13,901,884.53	13,149,777.48
Current portion of					
Liability under finance lease contract		8,277.56	33,505.09	8,277.56	33,505.09
Provision for employee benefits	18	9,674,095.00	7,719,018.00	9,674,095.00	7,719,018.00
Accrued corporate income tax		2,880,120.18	3,044,992.83	2,677,166.33	2,963,749.97
Other current liabilities	5.2	7,503,591.36	7,647,898.78	7,449,593.77	7,535,162.83
Total current liabilities		36,025,041.35	42,473,881.12	33,711,017.19	31,401,213.37
NON - CURRENT LIABILITIES					
Liability under finance lease contract - net		-	8,277.56	-	8,277.56
Provision for employee benefits - net	18	9,851,956.00	9,023,460.00	9,632,658.00	8,853,016.00
Other non - current liabilities		757,919.25	547,419.25	355,079.25	256,779.25
Total non - current liabilities		10,609,875.25	9,579,156.81	9,987,737.25	9,118,072.81
TOTAL LIABILITIES		46,634,916.60	52,053,037.93	43,698,754.44	40,519,286.18
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
10,000,000 common shares of Baht 10.- each		100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
Issued and fully paid-up share capital					
10,000,000 common shares of Baht 10.- each		100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
Share premium		138,500,000.00	138,500,000.00	138,500,000.00	138,500,000.00
Retained earnings					
Appropriated - legal reserve		10,057,461.83	8,857,461.83	10,057,461.83	8,857,461.83
Unappropriated		103,565,943.40	86,217,962.01	75,794,137.13	62,641,972.76
Other components of shareholders' equity		(528,441.60)	(607,571.20)	(528,441.60)	(607,571.20)
Total equity of the Company		351,594,963.63	332,967,852.64	323,823,157.36	309,391,863.39
Non - controlling interests		735,742.45	693,290.04	-	-
TOTAL SHAREHOLDERS' EQUITY		352,330,706.08	333,661,142.68	323,823,157.36	309,391,863.39
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		398,965,622.68	385,714,180.61	367,521,911.80	349,911,149.57

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

Separate financial statement									
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Investment in		Other components of shareholders' equity	
				Appropriated	Unappropriated	Legal reserve	available-for-sale	Other comprehensive	Total Equity
				Legal reserve				income	
Beginning balance as at January 1, 2016		100,000,000.00	138,500,000.00	7,957,461.83	41,412,488.66		(582,393.60)		287,287,556.89
Dividends	20.2	-	-	-	(6,000,000.00)		-		(6,000,000.00)
Legal reserve	20.2	-	-	900,000.00	(900,000.00)		-		-
Comprehensive income for the year		-	-	-	28,129,484.10		(25,177.60)		28,104,306.50
Ending balance as at December 31, 2016		100,000,000.00	138,500,000.00	8,857,461.83	62,641,972.76		(607,571.20)		309,391,863.39
Dividends	20.1	-	-	-	(7,000,000.00)		-		(7,000,000.00)
Legal reserve	20.1	-	-	1,200,000.00	(1,200,000.00)		-		-
Comprehensive income for the year		-	-	-	21,352,164.37		79,129.60		21,431,293.97
Ending balance as at December 31, 2017		100,000,000.00	138,500,000.00	10,057,461.83	75,794,137.13		(528,441.60)		323,823,157.36

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

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
Note		2017	2016	2017	2016
REVENUES					
Sales income	5.1	232,496,840.29	238,358,858.79	232,496,840.29	238,358,858.79
Rental income	5.1	2,693,483.20	724,118.20	-	-
Other income	5.1	4,934,220.12	3,357,793.54	7,546,304.74	5,968,663.81
Total revenues		240,124,543.61	242,440,770.53	240,043,145.03	244,327,522.60
EXPENSES					
Cost of sales	5.1	145,027,120.37	148,952,565.85	155,451,954.40	158,292,418.64
Cost of services		3,450,571.83	1,055,252.57	-	-
Distribution costs		30,394,235.11	26,763,144.40	30,394,235.11	26,621,124.40
Administrative expenses	5.1	29,031,470.18	27,222,945.87	27,719,947.55	26,308,973.43
Finance cost		426,488.22	730,780.55	8,294.66	38,545.55
Total expenses		208,329,885.71	204,724,689.24	213,574,431.72	211,261,062.02
PROFIT BEFORE INCOME TAX		31,794,657.90	37,716,081.29	26,468,713.31	33,066,460.58
Income tax income(expense)	15.2	(6,250,792.90)	(7,645,872.89)	(5,170,088.94)	(6,548,758.88)
NET PROFIT FOR THE YEAR		25,543,865.00	30,070,208.40	21,298,624.37	26,517,701.70
OTHER COMPREHENSIVE INCOME (LOSS)	15.2				
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods :</i>					
Gain (Loss) on remeasurements of available-for-sale investment					
		79,129.60	(25,177.60)	79,129.60	(25,177.60)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods :</i>					
Gain on remeasurements of provision for employee benefits					
		46,568.80	1,603,369.60	53,540.00	1,611,782.40
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		125,698.40	1,578,192.00	132,669.60	1,586,604.80
COMPREHENSIVE INCOME FOR THE YEAR		25,669,563.40	31,648,400.40	21,431,293.97	28,104,306.50
NET PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the Company		25,501,412.59	30,034,683.33		
Non-controlling interests		42,452.41	35,525.07		
NET PROFIT FOR THE YEAR		25,543,865.00	30,070,208.40		
COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Owners of the Company		25,627,110.99	31,612,875.33		
Non-controlling interests		42,452.41	35,525.07		
COMPREHENSIVE INCOME FOR THE YEAR		25,669,563.40	31,648,400.40		
BASIC EARNINGS PER SHARE (BAHT : SHARE)	19	<u>2.55</u>	<u>3.00</u>	<u>2.13</u>	<u>2.65</u>

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statement									
		Equity attributable to owners of the parent									
		Share capital			Retained earnings		Other components of shareholders' equity			Equity attributable to shareholders'	
		Issued and paid-up share capital		Share premium	Appropriated	Unappropriated	Legal reserve	Investment in available-for-sale	income	equity	Non-controlling interests
Note											Total Equity
Beginning balance as at January 1, 2016											
		100,000,000.00	138,500,000.00		7,957,461.83	61,479,909.08		(582,393.60)		307,354,977.31	657,764.97
20.2	Dividends	-	-	-	-	(6,000,000.00)		-		(6,000,000.00)	-
20.2	Legal reserve	-	-	-	900,000.00	(900,000.00)		-		-	-
Comprehensive income for the year											
		-	-	-	-	31,638,052.93		(25,177.60)		31,612,875.33	35,525.07
Ending balance as at December 31, 2016											
		100,000,000.00	138,500,000.00		8,857,461.83	86,217,962.01		(607,571.20)		332,967,852.64	693,290.04
20.1	Dividends	-	-	-	-	(7,000,000.00)		-		(7,000,000.00)	-
20.1	Legal reserve	-	-	-	1,200,000.00	(1,200,000.00)		-		-	-
Comprehensive income for the year											
		-	-	-	-	25,547,981.39		79,129.60		25,627,110.99	42,452.41
Ending balance as at December 31, 2017											
		100,000,000.00	138,500,000.00		10,057,461.83	103,565,943.40		(528,441.60)		351,594,963.63	735,742.45
											352,330,706.08

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

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

Separate financial statement							
Note	Issued and paid-up share capital	Share premium	Retained earnings		Investment in		Total Equity
			Appropriated		Unappropriated	available-for-sale	
			Legal reserve	income			
		Other comprehensive					
Beginning balance as at January 1, 2016	100,000,000.00	138,500,000.00	7,957,461.83	41,412,488.66	(582,393.60)	287,287,556.89	
Dividends	-	-	-	(6,000,000.00)	-	(6,000,000.00)	
Legal reserve	-	-	900,000.00	(900,000.00)	-	-	
Comprehensive income for the year	-	-	-	28,129,484.10	(25,177.60)	28,104,306.50	
Ending balance as at December 31, 2016	100,000,000.00	138,500,000.00	8,857,461.83	62,641,972.76	(607,571.20)	309,391,863.39	
Dividends	-	-	-	(7,000,000.00)	-	(7,000,000.00)	
Legal reserve	-	-	1,200,000.00	(1,200,000.00)	-	-	
Comprehensive income for the year	-	-	-	21,352,164.37	79,129.60	21,431,293.97	
Ending balance as at December 31, 2017	100,000,000.00	138,500,000.00	10,057,461.83	75,794,137.13	(528,441.60)	323,823,157.36	

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

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
	Note	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		31,794,657.90	37,716,081.29	26,468,713.31	33,066,460.58
Reconcilations of net profit (loss) to net cash provided by (used in) operating activities :					
Depreciation	12, 13	13,086,652.76	11,520,774.42	10,353,831.44	10,576,997.29
Amortization of intangible assets	14	119,977.54	170,889.16	119,977.54	170,889.16
Written - off of asset to expenses		109,234.55	440,406.77	109,234.55	275,342.90
Employment benefit expenses	18	2,942,384.00	1,290,177.00	2,902,244.00	1,258,344.00
Doubtful account	7	211,762.04	152,454.81	211,762.04	152,454.81
Doubtful account (reversal)	7	(120,000.00)	(120,000.00)	(120,000.00)	(120,000.00)
Loss from impairment of spare parts (reversal)	13	(7,647.45)	(47,486.81)	(7,647.45)	(47,486.81)
Provision for returned goods (reversal)	7	408,996.17	(122,108.37)	408,996.17	(122,108.37)
Loss from obsoleted inventories	8	-	600,415.44	-	600,415.44
Loss from obsoleted inventories (reversal)	8	(2,770,412.79)	(1,300,338.97)	(2,770,412.79)	(1,300,338.97)
Allowance for diminution in value of inventories	8	14,884.81	23,145.49	14,884.81	23,145.49
Unrealized gain from exchange rate		86,504.52	204,814.28	62,843.58	291,787.93
Interest income		(132,545.02)	(193,845.91)	(2,893,780.52)	(2,603,208.65)
Dividend received		(23,619.00)	(23,619.00)	(23,619.00)	(23,619.00)
Interest expenses		426,488.22	730,780.55	8,294.66	38,545.55
Profit from operating activities before change in operating assets and liabilities		46,147,318.25	51,042,540.15	34,845,322.34	42,237,621.35
Operating assets (increase) decrease :					
Trade accounts and other current receivables		4,934,598.11	(217,347.57)	5,068,762.19	63,110.65
Inventories		(1,335,451.79)	(8,656,501.40)	(1,335,451.79)	(8,656,501.40)
Other current assets		(39,192.95)	21,352.19	(56,778.93)	192,342.28
Other non-current assets		769,562.32	(796,648.44)	786,408.44	(796,648.44)
Operating liabilities increase (decrease) :					
Trade accounts and other current payables		(504,007.26)	(3,435,868.49)	775,961.71	(4,227,798.42)
Other current liabilities		(144,307.42)	1,906,934.84	(85,569.06)	1,719,989.71
Employment benefit expenses for the year	18	(100,600.00)	(349,271.00)	(100,600.00)	(349,271.00)
Retention		-	(4,034,002.13)	-	-
Other non-current liabilities		210,500.00	288,240.00	98,300.00	4,200.00

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
	Note	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES (Con't)					
Cash provided by (used in) operating activities		49,938,419.26	35,769,428.15	39,996,354.90	30,187,044.73
Interest income		132,545.02	193,845.91	13,597.52	6,679.02
Income tax paid		(6,411,065.73)	(7,458,738.38)	(5,440,836.08)	(5,688,722.89)
Net cash provided by (used in) operating activities		43,659,898.55	28,504,535.68	34,569,116.34	24,505,000.86
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in short-term loans to related company	5.2	(4,000,000.00)	-	(4,000,000.00)	(3,000,000.00)
Acquisition of Investment property	12	(385,086.11)	-	-	-
Acquisition of fixed assets	13	(603,538.97)	(7,489,113.85)	(603,538.97)	(2,039,948.10)
Acquisition of Intangible assets	14	(50,000.00)	-	(50,000.00)	-
Dividend received		23,619.00	23,619.00	23,619.00	23,619.00
Net cash provided by (used in) investing activities		(5,015,006.08)	(7,465,494.85)	(4,629,919.97)	(5,016,329.10)
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in bank overdrafts		(7,541,647.25)	(1,277,286.76)	-	(1,315,503.16)
Repayment of liability under finance lease contract		(33,505.09)	(31,149.02)	(33,505.09)	(31,149.02)
Interest paid		(426,488.22)	(730,780.55)	(8,294.66)	(38,545.55)
Dividend paid	20	(7,000,000.00)	(6,000,000.00)	(7,000,000.00)	(6,000,000.00)
Net cash provided by (used in) financing activities		(15,001,640.56)	(8,039,216.33)	(7,041,799.75)	(7,385,197.73)
Net cash and cash equivalents increase (decrease)		23,643,251.91	12,999,824.50	22,897,396.62	12,103,474.03
Unrealized gain (loss) from exchange rate of cash and cash equivalents		(23,905.93)	(841.32)	(244.99)	1,838.03
Net cash and cash equivalent increase (decrease)		23,619,345.98	12,998,983.18	22,897,151.63	12,105,312.06
Cash and cash equivalent beginning of the year		36,918,531.75	23,919,548.57	29,180,135.44	17,074,823.38
Cash and cash equivalent end of the year		60,537,877.73	36,918,531.75	52,077,287.07	29,180,135.44

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION :-

1. Non-cash item :

Acquisition of assets on credit	-	171,200.00	-	-
Transferring from fixed assets to investment property	-	105,921,905.18	-	-
2. Unutilized credit facilities	180,984,709.19	173,147,809.34	169,559,931.00	169,264,678.40

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

D.T.C. INDUSTRIES PUBLIC COMPANY LIMITED ("the Company") was incorporated as a limited company under the law of Thailand on December 22, 1971 and transformed into public company on April 21, 1994. The Company is engaged principally in production and trading of pen and related products. The Company's head office is located at 176, D.T.C. Building, Sukhumvit 64, Sukhumvit Road, Bangchak, Prakhong, Bangkok, Thailand.

The subsidiaries main business operations as described in Note 2.2 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of interim financial statements

The statutory financial statements are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

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

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No. 1 (Revised 2016) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, B.E. 2559"

The consolidated and separate financial statements are presented in Thai Baht, which is the Company and its subsidiaries' functional currency.

2.2 Basis of preparation of consolidated interim financial statements

The consolidated financial statements include the financial statements of D.T.C. Industries Public Company Limited and its subsidiaries as follows:

	Operation		Percentage of Holdings (%)	
	Type of business	Location	2017	2016
The Direct Trading Corporation Ltd.	Rental service	Thailand	99%	99%
Summer Sun Co., Ltd.	Rental service	Thailand	99%	99%

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

2.2 Basis of preparation of consolidated interim financial statements (con't)

The Company is deemed to have control over an investee or subsidiary or joint venture if it has rights, or is exposed, to variable returns from its involvement with the investee or subsidiary or joint venture and it has the ability to direct the activities that affect the amount of its returns.

The financial statements of these companies have been consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date of such control ceases.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

The financial statements of the subsidiaries are prepared based on the same significant accounting policies for the same accounting items or similar accounting events.

Significant balances and transactions between the Company and subsidiaries, investments in subsidiaries by the Company and non-controlling interest have been eliminated from the consolidated financial statements.

Non-controlling interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position.

2.3 Basis of preparation of separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW ACCOUNTING STANDARDS EFFECTIVE IN THE CURRENT YEAR

3.1 New Financial Reporting Standards effective in the current

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of the revised financial reporting standards and interpretations and new accounting treatment guidance does not have any significant impact on the Company's and its subsidiaries' financial statements.

3. ADOPTION OF NEW ACCOUNTING STANDARDS EFFECTIVE IN THE CURRENT YEAR (Con't)

3.1 New Financial Reporting Standards effective in the current

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which is effective for fiscal years beginning on or after 1 January 2018 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards as follows :

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans

3. ADOPTION OF NEW ACCOUNTING STANDARDS EFFECTIVE IN THE CURRENT YEAR (Con't)

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective (con't)

Thai Accounting Standards ("TAS")

TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture

Thai Financial Reporting Standards ("TFRS")

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

Thai Accounting Standards Interpretations ("TSIC")

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

3. ADOPTION OF NEW ACCOUNTING STANDARDS EFFECTIVE IN THE CURRENT YEAR (Con't)

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective (con't)

Thai Financial Reporting Standard Interpretations ("TFRIC")

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

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, some of these standards involve changes to key principles, which are summarized below.

TAS 7 (Revise 2017) Statement of Cash Flows

This revised standard require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash. The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements of the Company and its Subsidiaries.

TAS 12 (Revise 2017) Income Taxes

This revised standard clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements of the Company and its Subsidiaries.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4.1 Recognition of revenues

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

Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers. No revenue is recognised if there is continuing management involvement with the goods.

Rental income is recognized on a straight-line basis over the term of the lease.

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

Dividend received is recognized when the right to receive the dividends is established.

Other income is recognized on an accrual basis.

4.2 Cash and cash equivalent

Cash and cash equivalent consist of cash on hand, bank deposits, and all highly liquid investments with financial institution with an original maturities of 3 months or less, which are not restricted to any use and including call notes receivable and term notes receivable maturing within 3 months or less and not subject to withdrawal restrictions.

Time deposits with maturity exceed three-month period but less than twelve-month period are recorded as current investment (if any).

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

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

Trade accounts and other current receivables are stated at the net realizable value.

Trade accounts receivable are stated at the net realizable value net from the allowance of doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences, the analysis of debt aging and future expectations of customer payments.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.4 Inventories

Finished goods and work in process are valued at the lower of cost or net realizable value., cost determined by FIFO method.

Raw materials and packing are valued at lower of cost or net realizable value, cost is determined by FIFO method.

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

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving merchandise inventories.

4.5 Investments

4.5.1 Investment in the subsidiaries

Investments in the subsidiaries in the separate financial statement are stated at cost net allowance for impairment loss (if any).

4.5.2 Investment in available-for-sale securities

Investments in marketable equity securities which are intended to available-for-sale securities are presented at fair value. Changes in the carrying amounts of securities are recorded as a separate item in shareholders' equity until the securities are sold, when the changes are then included in determining in profit or loss.

4.5.3 Long-term investment in non-marketable securities

Long-term investment in non-marketable securities held as "general investment" are valued at cost, net of allowance for impairment of investments (if any). Impairment loss of all investments is charged to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.6 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses (if any).

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

Building and building Improvement	5 - 50 Years
Public utility system	15 - 25 Years
Elevator system	25 Years
Fixture and office equipment	5 - 20 Years

No depreciation is provided for land and on assets in progress.

When the use of a property changes such that it is reclassified as property, plant and equipment, Its book value at the date of reclassification become its cost for subsequent accounting.

Property owned by subsidiary leased to, and occupied by, its parent company does not qualify as investment property in the consolidated financial statements, because the property is owner-occupied from the perspective of the group.

4.7 Property Plant and Equipment

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

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and reporting the site on which they are located, and capitalised borrowing costs.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.7 Property Plant and Equipment (Con't)

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

Building and building improvement	5 - 50	Years
Machinery and mold	5 - 25	Years
Fixture and office equipment	5	Years
Vehicles	5 - 10	Years

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

4.8 Intangible assets and amortization

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

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

The amortization of intangible assets are based on their economic useful life as follows:

Computer software	5 - 10	Years
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4.9 Employee benefits obligations

4.9.1 Short-term employee benefits

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

4.9.2 Defined benefit plan

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.10 Provision

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

Provision for returned goods is based on the past statistic of actual goods returned to actual sales together with the managements estimation.

4.11 Foreign currencies transaction

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

4.12 Income tax

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

Current income tax :

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

Deferred tax :

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.13 Basic earnings per share

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

4.14 Related parties transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

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

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

4.15 Operating segment information

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

4.16 Impairment of assets

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.16 Impairment of assets (Con't)

An impairment loss is recognized in profit or loss.

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

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

4.17 Lease

4.17.1 Operating lease :

Where are the leasee

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

Where are the lessor :

The Company and its subsidiaries present assets for ease under operating ease contract in the statement of financial position according to the nature of the assets. Income from operating lease is recognized as income over the lease term.

4.17.2 Finance lease

Where are the leasee

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company and its subsidiaries. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in the profit or losses.

4.18 Financial Instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable, and loans to related parties and financial liabilities carried on the statement of financial position include bank overdrafts and trade accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.19 Fair value measurement

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

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

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

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

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

4.20 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

Significant accounting judgments and estimates are as follows:

4.20.1 Recognition and derecognition of assets and liabilities

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

4.20.2 Allowance for doubtful accounts

Allowance for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.20 Significant accounting judgments and estimates (Con't)

4.20.3 Allowance for obsolescence and diminution

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

4.20.4 Investment property

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

4.20.5 Property plant and equipment and Depreciation

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

4.20.6 Deferred tax assets

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

4.20.7 Impairment of assets

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

4.20.8 Provision for employee benefit

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

4.20.9 Leases

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

5. RELATED PARTIES TRANSACTIONS

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

Relationship of related parties other than subsidiaries as described in the Note 2.2 to the financial statements consist of;

Related company	Relationship	Operation		Percentage of Holdings (%)	
		Type of business	Location	2017	2016
Pentonic Enterprise Co., Ltd.	Common Director	Trading of stationery	Taiwan	-	-
Classmate Enterprise Co., Ltd.	Common Director	Trading of stationery	Hong-Kong	-	-
Recolte (S) Pte. Ltd.	Common Director	Trading of stationery	Singapore	-	-
International Technical Agencies Co., Ltd.	Common Director	Rental service	Thailand	-	-
Sun Flame Co., Ltd.	Common Director	Rental service	Thailand	-	-
Inter-Asian Broker Co., Ltd.	Common Director	Insurance broker	Thailand	-	-
Surgical Instruments (Thailand) Co., Ltd.	Common Director	Import and sales of surgical instrument	Thailand	-	-
Sulassanaphan Co., Ltd.	Common Director	Rental service	Thailand	-	-
Sahathawee Pattana Co., Ltd.	Common Director	Manufacturing of packaging products	Thailand	-	-
Thai Japan Laboratories Co., Ltd.	Common Director	Manufacturing and trading of medicines	Thailand	-	-

5.1 The significant transaction with related parties are as follows:

		Unit : Baht			
		Consolidated		Separate	
	Pricing policies	2017	2016	2017	2016
Subsidiaries					
Interest income	0.125% and MOR per annum	-	-	2,712,511.77	2,596,529.63
Other income	Actual charge	-	-	232,822.29	241,993.35
Rental fees	Baht 1,005,000 per month	-	-	12,060,000.00	12,060,000.00
Other expenses	Actual charge	-	-	22,723.37	24,852.79
Related companies					
Sales of goods	Market price	241,545.20	120,689.12	241,545.20	120,689.12
Interest income	6% per annum	167,671.23	-	167,671.23	-
Rental income	Baht 15,000 per month	-	60,000.00	-	60,000.00
Purchase of goods	Market price	2,609,563.00	2,383,011.00	2,609,563.00	2,383,011.00
Rental fees	Baht 346,728.97 per month	4,160,747.64	4,160,747.64	4,160,747.64	4,160,747.64
Service fees	Baht 50,000 per month	600,000.00	600,000.00	600,000.00	600,000.00
Other expenses	Actual charge	33,892.44	274,733.20	33,892.44	274,733.20
Directors					
Rental fees	Baht 65,000 per month	-	780,000.00	-	780,000.00
Related persons					
Rental fees	Baht 75,000 per month	900,000.00	-	900,000.00	-

5. RELATED PARTIES TRANSACTIONS (Con't)

5.1 The significant transaction with related parties are as follows: (Con't)

Management's benefit expenses

The Company and its subsidiaries have paid salaries, social security fund, other welfare, meeting allowances and post-employment benefits to their directors and management recognized as expenses as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Short-term benefits	8,265,966.64	8,227,266.64	7,646,666.64	7,646,666.64
Post-employment benefits	1,332,525.00	110,228.00	1,310,723.00	92,415.00
Total	9,598,491.64	8,337,494.64	8,957,389.64	7,739,081.64

5.2 The outstanding balance of accounts with subsidiary and related companies are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Trade accounts receivable				
Related companies	636,937.97	665,436.61	636,937.97	665,436.61
<u>Less</u> Allowance for doubtful accounts	(636,937.97)	(665,436.61)	(636,937.97)	(665,436.61)
Net	-	-	-	-
Other current receivables				
Subsidiaries	-	-	12,013,742.62	9,343,388.06
Related companies	6,984,374.23	3,816,703.00	6,984,374.23	3,816,703.00
Total	6,984,374.23	3,816,703.00	18,998,116.85	13,160,091.06
<u>Less</u> Allowance for doubtful accounts	(3,816,703.00)	(3,816,703.00)	(3,816,703.00)	(3,816,703.00)
Net	3,167,671.23	-	15,181,413.85	9,343,388.06
Outstanding cheque				
Directors	78,500.00	351,380.00	78,500.00	351,380.00
Trade accounts payable				
Related companies	128,801.25	149,383.77	128,801.25	149,383.77
Other current payables				
Subsidiaries	-	-	287,882.50	1,803.81
Related companies	-	240,000.00	-	240,000.00
Other current liabilities				
Directors	5,600,915.68	5,600,915.68	5,600,915.68	5,600,915.68

5. RELATED PARTIES TRANSACTIONS (Con't)

5.2 The outstanding balance of accounts with subsidiary and related companies are as follows: (Con't)

Short - term loans to subsidiary and related companies

The movement of Short - term loans to subsidiary and related companies are as follows:

	Unit : Baht			
	Consolidated			
	Balance as at	Movement during the year		Balance as at
	Jan 1, 2017	Increase	Decrease	Dec 31, 2017
Related companies	-	4,000,000.00	-	4,000,000.00

	Unit : Baht			
	Separate			
	Balance as at	Movement during the year		Balance as at
	Jan 1, 2017	Increase	Decrease	Dec 31, 2017
Subsidiary	3,000,000.00	-	-	3,000,000.00
Related companies	-	4,000,000.00	-	4,000,000.00
Total	3,000,000.00	4,000,000.00	-	7,000,000.00

The Company has granted loans to subsidiary and related companies in respect of loan agreement for use in current operations was due within the year 2017 and 2018 together with interest at the rate 6% and MOR rate of a commercial bank used by the Company.

5. RELATED PARTIES TRANSACTIONS (Con't)

5.2 The outstanding balance of accounts with subsidiary and related companies are as follows: (Con't)

Long - term loans to subsidiary

The movement of long - term loans to subsidiary are as follows:

	Unit : Baht	
	Separate	
	2017	2016
Beginning balance of the year	55,600,000.00	55,600,000.00
Increase during the year	-	-
Ending balance of the year	55,600,000.00	55,600,000.00
<u>Less</u> Current portion	(14,000,000.00)	(8,000,000.00)
Net	41,600,000.00	47,600,000.00

The Company has granted a loan to a subsidiary in respect of loan agreement for building construction, for loan amounting to Baht 20 million which the subsidiary shall start to pay the loan principle after the building is utilized for 6 months on monthly installment basis not less than Baht 500,000 per month with interest at saving account rate of a commercial bank and for loans amounting to Baht 35.60 million was due within 5 years together with interest at MOR rate of a bank used by the Company.

5.3 Others

5.3.1 The Company and its subsidiaries had mortgaged their property, plant and equipment as collaterals and guaranteed credit facilities from financial institutions among one another as follows:

	Unit : Baht	
	2017	2016
Credit facilities guaranteed by the Company for subsidiaries	10,000,000.00	10,000,000.00
Credit facilities guaranteed by subsidiaries for :		
Company	119,000,000.00	119,000,000.00
Subsidiary	2,000,000.00	2,000,000.00
Related companies	4,000,000.00	4,000,000.00
Total	135,000,000.00	135,000,000.00

5.3.2 As at December 31, 2017 and 2016, three related companies were in possession of contingent liabilities from the guarantee of the credit facility of the Company and its subsidiaries amounting to Baht 51 million.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Cash on hand	128,877.50	180,926.23	125,877.50	177,926.23
Deposits at bank - saving account	24,225,179.06	13,190,642.68	22,258,629.38	11,317,735.30
- current account	36,183,821.17	23,546,962.84	29,692,780.19	17,684,473.91
Total Cash and cash equivalents	60,537,877.73	36,918,531.75	52,077,287.07	29,180,135.44

7. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET

Trade accounts and other current receivables are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Trade accounts receivable				
Related companies	636,937.97	665,436.61	636,937.97	665,436.61
Other companies	55,135,002.61	56,823,233.17	50,254,528.13	51,942,758.69
Total	55,771,940.58	57,488,669.78	50,891,466.10	52,608,195.30
<u>Less</u> Allowance for doubtful accounts	(14,178,727.86)	(13,961,901.48)	(9,298,253.38)	(9,081,427.00)
Allowance for returned goods	(2,285,690.80)	(1,876,694.63)	(2,285,690.80)	(1,876,694.63)
Total trade accounts receivable - net	39,307,521.92	41,650,073.67	39,307,521.92	41,650,073.67
Other current receivables				
Subsidiary	-	-	12,013,742.62	9,343,388.06
Related companies	6,984,374.23	3,816,703.00	6,984,374.23	3,816,703.00
Other companies	1,753,931.10	1,624,225.97	592,236.17	387,720.86
Total	8,738,305.33	5,440,928.97	19,590,353.02	13,547,811.92
<u>Less</u> Allowance for doubtful accounts	(5,116,797.77)	(5,236,797.77)	(4,081,683.83)	(4,201,683.83)
Total other current receivables - net	3,621,507.56	204,131.20	15,508,669.19	9,346,128.09
Others				
Prepaid expenses	1,146,568.91	926,738.88	1,146,568.91	925,884.70
Advance payment for goods	1,441,778.15	8,465,170.70	1,441,778.15	8,465,170.70
Advance payments	915,271.56	713,407.56	914,253.56	712,389.56
Total	3,503,618.62	10,105,317.14	3,502,600.62	10,103,444.96
<u>Less</u> Allowance for doubtful accounts	(179,485.96)	(184,538.69)	(178,467.96)	(183,520.69)
Net	3,324,132.66	9,920,778.45	3,324,132.66	9,919,924.27
Total trade accounts and other current receivables - net	46,253,162.14	51,774,983.32	58,140,323.77	60,916,126.03

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

Aging of trade accounts receivable are as follows:

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Accounts receivable not yet due	27,197,366.33	28,295,484.36	27,197,366.33	28,295,484.36
Accounts receivable over due				
Less than or equal to 3 months	14,183,683.79	13,645,849.30	14,183,683.79	13,645,849.30
Over 3 months to 6 months	215,853.71	1,123,325.84	215,853.71	1,123,325.84
Over 6 months to 12 months	66,469.62	1,008,917.56	66,469.62	1,008,917.56
Over 12 months	14,108,567.13	13,415,092.72	9,228,092.65	8,534,618.24
Total	55,771,940.58	57,488,669.78	50,891,466.10	52,608,195.30
<u>Less</u> Allowance for doubtful accounts	(14,178,727.86)	(13,961,901.48)	(9,298,253.38)	(9,081,427.00)
Allowance for returned goods	(2,285,690.80)	(1,876,694.63)	(2,285,690.80)	(1,876,694.63)
Net	39,307,521.92	41,650,073.67	39,307,521.92	41,650,073.67

The details of allowance for doubtful accounts of trade accounts and other current receivables are as follows:

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Beginning balance of the year	19,383,237.94	19,350,788.59	13,466,631.52	13,434,182.17
<u>Add</u> Increase during the year	211,773.65	152,449.35	211,773.65	152,449.35
<u>Less</u> Recovery during the year	(120,000.00)	(120,000.00)	(120,000.00)	(120,000.00)
Ending balance of the year	19,475,011.59	19,383,237.94	13,558,405.17	13,466,631.52

8. INVENTORIES - NET

Inventories are as follows:

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Finished goods	13,532,686.34	14,028,067.57	13,485,534.59	13,980,915.82
Work in process	37,550,946.50	33,559,256.69	37,550,946.50	33,559,256.69
Raw materials	50,786,985.50	53,493,846.30	50,786,985.50	53,493,846.30
Packaging supplies	6,386,059.12	6,187,730.40	6,386,059.12	6,187,730.40
By products	718,387.13	762,797.48	718,387.13	762,797.48
Spare parts and supplies	3,997,156.04	3,605,070.40	3,997,156.04	3,605,070.40
Total	112,972,220.63	111,636,768.84	112,925,068.88	111,589,617.09
<u>Less</u> Allowance for loss on				
obsolete inventories	(48,754,821.98)	(51,525,234.77)	(48,707,670.23)	(51,478,083.02)
Allowance for diminution in				
value of inventories	(215,575.50)	(200,690.69)	(215,575.50)	(200,690.69)
Total inventories - net	64,001,823.15	59,910,843.38	64,001,823.15	59,910,843.38

The details of allowance for obsolete and diminution in value of inventories are as follows:

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Allowance for loss on obsolete inventories				
Beginning balance of the year	51,525,234.77	52,225,158.30	51,478,083.02	52,178,006.55
Increase during the year	-	600,415.44	-	600,415.44
Recovery during the year	(2,770,412.79)	(1,300,338.97)	(2,770,412.79)	(1,300,338.97)
Ending balance of the year	48,754,821.98	51,525,234.77	48,707,670.23	51,478,083.02
Allowance for diminution in value of inventories				
Beginning balance of the year	200,690.69	177,545.20	200,690.69	177,545.20
Increase during the year	14,884.81	23,145.49	14,884.81	23,145.49
Ending balance of the year	215,575.50	200,690.69	215,575.50	200,690.69

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are as follows:

			Unit : Baht			
			Separate			
	Issued and paid-up share (Million Baht)	Percentage of holding (%)	Investment at cost		Dividend received	
			2017	2016	2017	2016
The Direct Trading Corporation Ltd.	15	99%	14,850,000.00	14,850,000.00	-	-
Summer Sun Co., Ltd.	12	99%	11,880,000.00	11,880,000.00	-	-
Total			26,730,000.00	26,730,000.00	-	-

10. INVESTMENT IN OTHER COMPANY

Investment in other company are as follows:

			Unit : Baht			
			Consolidated and separate			
	Issued and paid-up share (Million Baht)	Percentage of holding (%)	Investment at cost		Dividend received	
			2017	2016	2017	2016
Dharmniti Public Co., Ltd.	50	0.09	51,000.00	51,000.00	16,875.00	16,875.00

11. OTHER LONG-TERM INVESTMENTS - NET

Other long-term investments are as follows:-

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Investment in marketable security				
Investment in common shares - at cost	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
<u>Less</u> Unrealized loss from investment in available-for-sales securities	(660,552.00)	(759,464.00)	(660,552.00)	(759,464.00)
Fair Value	339,448.00	240,536.00	339,448.00	240,536.00
24 months fixed deposits account	9,400,000.00	9,400,000.00	-	-
Total other long-term investments - net	9,739,448.00	9,640,536.00	339,448.00	240,536.00

The above 24 months fixed deposits at bank received interest at 1.15% - 1.45% per annum. (In the year 2016 : 1.15% - 2.38% per annum.)

12. INVESTMENT PROPERTY - NET

Investment property are as follow:

	Unit : Baht						
	Consolidated						
	Land	Building and building improvement	Utility system	Elevator	Fixture and equipment	Work in progress	Total
Cost of assets							
As at January 1, 2016	-	-	-	-	-	-	-
Add Acquisition during the year	-	29,800.00	-	-	119,198.00	184,998.32	333,996.32
Transfer in during the year	1,009,711.00	88,337,310.92	13,203,473.09	2,748,674.77	622,735.40	-	105,921,905.18
As at December 31, 2016	1,009,711.00	88,367,110.92	13,203,473.09	2,748,674.77	741,933.40	184,998.32	106,255,901.50
Accumulated depreciation							
As at January 1, 2016	-	-	-	-	-	-	-
Add Depreciation for the year	-	603,864.03	207,088.05	36,682.56	20,269.76	-	867,904.40
As at December 31, 2016	-	603,864.03	207,088.05	36,682.56	20,269.76	-	867,904.40
Net book value							
As at January 1, 2016	-	-	-	-	-	-	-
As at December 31, 2016	1,009,711.00	87,763,246.89	12,996,385.04	2,711,992.21	721,663.64	184,998.32	105,387,997.10

12. INVESTMENT PROPERTY - NET (Con't)

	Unit : Baht						
	Consolidated						
	Land	Building and building improvement	Utility system	Elevator	Fixture and equipment	Work in progress	Total
Cost of assets							
As at January 1, 2017	1,009,711.00	88,367,110.92	13,203,473.09	2,748,674.77	741,933.40	184,998.32	106,255,901.50
Add Acquisition during the year	-	-	-	-	116,000.00	269,086.11	385,086.11
Add Transfer in during the year	-	62,966.90	-	-	-	-	62,966.90
Less Transfer out during the year	-	-	-	-	-	(357,422.90)	(357,422.90)
As at December 31, 2017	1,009,711.00	88,430,077.82	13,203,473.09	2,748,674.77	857,933.40	96,661.53	106,346,531.61
Accumulated depreciation							
As at January 1, 2017	-	603,864.03	207,088.05	36,682.56	20,269.76	-	867,904.40
Add Depreciation for the year	-	1,823,424.70	619,566.71	109,746.98	91,417.40	-	2,644,155.79
As at December 31, 2017	-	2,427,288.73	826,654.76	146,429.54	111,687.16	-	3,512,060.19
Net book value							
As at January 1, 2017	1,009,711.00	87,763,246.89	12,996,385.04	2,711,992.21	721,663.64	184,998.32	105,387,997.10
As at December 31, 2017	1,009,711.00	86,002,789.09	12,376,818.33	2,602,245.23	746,246.24	96,661.53	102,834,471.42

Depreciation for the year ended December 31, consist of:-

Unit : Baht	
2017	2016
2,644,155.79	867,904.40

Cost of services

As at December 31, 2017 and 2016, the above mentioned land has been mortgaged as collateral under a credit facility agreement with a commercial bank as described in Note 26 to the financial statements.

13. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment consist of:-

	Unit : Baht									
	Consolidated									
	Land	Building and building improvement	Machinery	Machinery and mold	Fixture and office equipment	Vehicles	Assets in progress	Work in progress	Spare part	Total
Cost of assets										
As at January 1, 2016	27,670,167.00	79,172,853.57	484,610,785.55	200,750,616.55	60,879,151.63	29,550,998.52	102,160,429.84	564,966.83	6,583,346.15	991,943,315.64
Add Acquisition during the year	-	-	25,000.00	-	282,489.02	1,350,000.00	5,578,749.01	90,079.50	-	7,326,317.53
Add Transfer in during the year	-	-	70,000.00	-	71,500.00	-	-	-	-	141,500.00
Less Transfer out during the year	(1,009,711.00)	-	-	-	-	-	(105,210,050.27)	(71,500.00)	(47,486.81)	(106,338,748.08)
As at December 31, 2016	26,660,456.00	79,172,853.57	484,705,785.55	200,750,616.55	61,233,140.65	30,900,998.52	2,529,128.58	583,546.33	6,535,859.34	893,072,385.09
Accumulated depreciation										
As at January 1, 2016	-	67,372,844.98	435,913,098.74	190,496,265.75	59,053,984.93	18,501,376.14	-	-	-	771,337,570.54
Add Depreciation for the year	-	1,065,111.05	6,123,658.54	1,922,485.30	740,465.76	801,149.37	-	-	-	10,652,870.02
As at December 31, 2016	-	68,437,956.03	442,036,757.28	192,418,751.05	59,794,450.69	19,302,525.51	-	-	-	781,990,440.56
Allowance for impairment loss										
As at January 1, 2016	-	-	-	-	-	-	-	-	6,030,028.83	6,030,028.83
Add (Less) Allowance during the year	-	-	-	-	-	-	-	-	(47,486.81)	(47,486.81)
As at December 31, 2016	-	-	-	-	-	-	-	-	5,982,542.02	5,982,542.02
Net book value										
As at January 1, 2016	27,670,167.00	11,800,008.59	48,697,686.81	10,257,350.80	1,825,166.70	11,049,622.38	102,160,429.84	564,966.83	553,317.32	214,575,716.27
As at December 31, 2016	26,660,456.00	10,734,897.54	42,669,028.27	8,331,865.50	1,438,689.96	11,598,473.01	2,529,128.58	583,546.33	553,317.32	105,099,402.51

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

	Unit : Baht									
	Separate									
	Land	Building and building improvement	Machinery	Machinery and mold	Fixture and office equipment	Vehicles	Assets in progress	Work in progress	Spare part	Total
Cost of assets										
As at January 1, 2016	21,748,167.00	42,511,465.95	448,693,212.03	200,542,584.55	51,176,228.86	20,754,659.83	2,534,605.09	564,966.83	6,583,346.15	795,109,236.29
Add Acquisition during the year	-	-	25,000.00	-	282,489.02	1,350,000.00	292,379.58	90,079.50	-	2,039,948.10
Add Transfer in during the year	-	-	70,000.00	-	71,500.00	-	-	-	-	141,500.00
Less Transfer out during the year	-	-	-	-	-	-	(297,856.09)	(71,500.00)	(47,486.81)	(416,842.90)
As at December 31, 2016	21,748,167.00	42,511,465.95	448,788,212.03	200,542,584.55	51,530,217.88	22,104,659.83	2,529,128.58	583,546.33	6,535,859.34	796,873,841.49
Accumulated depreciation										
As at January 1, 2016	-	31,683,162.68	399,995,662.80	190,288,235.75	49,351,784.56	9,913,047.50	-	-	-	681,231,893.29
Add Depreciation for the year	-	989,238.32	6,123,658.54	1,922,485.30	740,465.76	801,149.37	-	-	-	10,576,997.29
As at December 31, 2016	-	32,672,401.00	406,119,321.34	192,210,721.05	50,092,250.32	10,714,196.87	-	-	-	691,808,890.58
Allowance for impairment loss										
As at January 1, 2016	-	-	-	-	-	-	-	-	6,030,028.83	6,030,028.83
Add (Less) Allowance during the year	-	-	-	-	-	-	-	-	(47,486.81)	(47,486.81)
As at December 31, 2016	-	-	-	-	-	-	-	-	5,982,542.02	5,982,542.02
Net book value										
As at January 1, 2016	21,748,167.00	10,828,303.27	48,697,549.23	10,254,348.80	1,824,444.30	10,841,612.33	2,534,605.09	564,966.83	553,317.32	107,847,314.17
As at December 31, 2016	21,748,167.00	9,839,064.95	42,668,890.69	8,331,863.50	1,437,967.56	11,390,462.96	2,529,128.58	583,546.33	553,317.32	99,082,408.89

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

Unit : Baht

	Separate									
	Land	Building and building improvement	Machinery	Machinery and mold	Fixture and office equipment	Vehicles	Assets in progress	Work in progress	Spare part	Total
Cost of assets										
As at January 1, 2017	21,748,167.00	42,511,465.95	448,788,212.03	200,542,584.55	51,530,217.88	22,104,659.83	2,529,128.58	583,546.33	6,535,859.34	796,873,841.49
Add Acquisition during the year	-	140,000.00	-	-	463,538.97	-	-	-	-	603,538.97
Add Transfer in during the year	-	258,098.20	-	-	-	-	-	-	-	258,098.20
Less Transfer out during the year	-	-	-	-	-	-	(26,648.06)	(333,020.28)	(7,647.45)	(367,315.79)
As at December 31, 2017	21,748,167.00	42,909,564.15	448,788,212.03	200,542,584.55	51,993,756.85	22,104,659.83	2,502,480.52	250,526.05	6,528,211.89	797,368,162.87
Accumulated depreciation										
As at January 1, 2017	-	32,672,401.00	406,119,321.34	192,210,721.05	50,092,250.32	10,714,196.87	-	-	-	691,808,890.58
Add Depreciation for the year	-	948,388.96	6,091,042.51	1,849,391.32	592,752.10	872,256.55	-	-	-	10,353,831.44
As at December 31, 2017	-	33,620,789.96	412,210,363.85	194,060,112.37	50,685,002.42	11,586,453.42	-	-	-	702,162,722.02
Allowance for impairment loss										
As at January 1, 2017	-	-	-	-	-	-	-	-	5,982,542.02	5,982,542.02
Add (Less) Allowance during the year	-	-	-	-	-	-	-	-	(7,647.45)	(7,647.45)
As at December 31, 2017	-	-	-	-	-	-	-	-	5,974,894.57	5,974,894.57
Net book value										
As at January 1, 2017	21,748,167.00	9,839,064.95	42,668,890.69	8,331,863.50	1,437,967.56	11,390,462.96	2,529,128.58	583,546.33	553,317.32	99,082,408.89
As at December 31, 2017	21,748,167.00	9,288,774.19	36,577,848.18	6,482,472.18	1,308,754.43	10,518,208.41	2,502,480.52	250,526.05	553,317.32	89,230,546.28

Depreciation for the year ended December 31, consist of:-

	Unit : Baht	
	2017	2016
Cost of sales	9,207,779.44	9,484,544.06
Administrative expenses	1,146,052.00	1,092,453.23
Total	10,353,831.44	10,576,997.29

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

- 13.1 As at December 31, 2017, the Company and its subsidiaries had mortgaged its certain land and building at value of Baht 82.52 million and net book value of Baht 32.10 million for the consolidated financial statements (cost value of Baht 40.86 million and net book value of Baht 26.08 million for the separate financial statements) with commercial banks as a collateral for its loans as described in Note 26 to the financial statements.

The above-mentioned land and buildings had fair value as at December 31, 2017 and 2016 amounting to Baht 302.55 million and Baht 270.18 million respectively.

- 13.2 Part of a subsidiary's land and building included in the consolidated financial statements were leased to the Company, another subsidiary and a related company for their business operations as follows:

	Unit : Baht	
	Consolidated	
	2017	2016
Net book value as at January 1, 2017	5,808,120.59	5,883,993.32
Add Transfer from investment property at cost	294,456.00	-
Less Depreciation for the year	(88,665.53)	(75,872.73)
Net book value as at December 31, 2017	6,013,911.06	5,808,120.59

14. INTANGIBLE ASSETS - NET

Intangible assets consist of computer software as follows :-

	Unit : Baht	
	Consolidated and Separate	
	2017	2016
Cost of assets		
As at January 1,	1,747,245.34	1,747,245.34
Add Acquisition during the year	50,000.00	-
As at December 31,	1,797,245.34	1,747,245.34
Accumulated amortization		
As at January 1,	1,096,925.60	926,036.44
Add Amortization during the year	119,977.54	170,889.16
As at December 31,	1,216,903.14	1,096,925.60
Net book value		
As at January 1,	650,319.74	821,208.90
As at December 31,	580,342.20	650,319.74

15. DEFERRED TAX ASSETS - NET

Deferred tax assets and liabilities are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Deferred tax assets	18,292,008.86	18,206,030.62	16,947,125.72	16,870,918.28
Deferred tax liabilities	(3,656,267.16)	(3,531,055.82)	(3,656,267.16)	(3,531,055.82)
Net	14,635,741.70	14,674,974.80	13,290,858.56	13,339,862.46

15.1 Movements in deferred tax assets and liabilities during the period are as follows:

	Unit : Baht			
	Consolidated			
	(Charged) Credit for the year to			
	Other			As at Dec 31, 2017
	As at Jan 1, 2017	Profit or loss	comprehensive income	
Deferred tax assets :				
Trade accounts and other current				
receivables	3,876,647.59	18,354.73	-	3,895,002.32
Inventories	10,345,185.09	(551,105.60)	-	9,794,079.49
Other current assets	53,969.08	(2.32)	-	53,966.76
Other non-current assets	54,501.54	-	-	54,501.54
Available-for-sale securities	151,892.80	-	(19,782.40)	132,110.40
Provision for returned goods	375,338.92	81,799.23	-	457,138.15
Provision for employee benefits	3,348,495.60	568,356.80	(11,642.20)	3,905,210.20
Total	18,206,030.62	117,402.84	(31,424.60)	18,292,008.86
Deferred tax liabilities :				
Property, plant and equipment	(3,436,624.21)	(112,245.21)	-	(3,548,869.42)
Intangible assets	(94,431.61)	(12,966.13)	-	(107,397.74)
Total	(3,531,055.82)	(125,211.34)	-	(3,656,267.16)
Net	14,674,974.80	(7,808.50)	(31,424.60)	14,635,741.70

15. DEFERRED TAX ASSETS - NET (Con't)

15.1 Movements in deferred tax assets and liabilities during the year are as follows: (con't)

Unit : Baht				
Consolidated				
(Charged) Credit for the year to				
As at	Other		As at	
Jan 1, 2016	Profit or loss	comprehensive income	Dec 31, 2016	
Deferred tax assets :				
Trade accounts and other current receivables	3,870,157.72	6,489.87	-	3,876,647.59
Inventories	10,480,540.70	(135,355.61)	-	10,345,185.09
Other current assets	53,967.99	1.09	-	53,969.08
Other non-current assets	54,501.54	-	-	54,501.54
Available-for-sale securities	145,598.40	-	6,294.40	151,892.80
Provision for returned goods	399,760.59	(24,421.67)	-	375,338.92
Provision for employee benefits	3,561,156.80	188,181.20	(400,842.40)	3,348,495.60
Total	18,565,683.74	34,894.88	(394,548.00)	18,206,030.62
Deferred tax liabilities :				
Property, plant and equipment	(3,112,554.15)	(324,070.06)	-	(3,436,624.21)
Intangible assets	(71,940.25)	(22,491.36)	-	(94,431.61)
Total	(3,184,494.40)	(346,561.42)	-	(3,531,055.82)
Net	15,381,189.34	(311,666.54)	(394,548.00)	14,674,974.80

Unit : Baht				
Separate				
(Charged) Credit for the year to				
As at	Other		As at	
Jan 1, 2017	Profit or loss	comprehensive income	Dec 31, 2017	
Deferred tax assets :				
Trade accounts and other current receivable	2,693,326.30	18,354.73	-	2,711,681.03
Inventories	10,335,754.75	(551,105.60)	-	9,784,649.15
Other current assets	198.71	(2.32)	-	196.39
Available-for-sale securities	151,892.80	-	(19,782.40)	132,110.40
Provision for returned goods	375,338.92	81,799.23	-	457,138.15
Provision for employee benefits	3,314,406.80	560,328.80	(13,385.00)	3,861,350.60
Total	16,870,918.28	109,374.84	(33,167.40)	16,947,125.72
Deferred tax liabilities :				
Property, plant and equipment	(3,436,624.21)	(112,245.21)	-	(3,548,869.42)
Intangible assets	(94,431.61)	(12,966.13)	-	(107,397.74)
Total	(3,531,055.82)	(125,211.34)	-	(3,656,267.16)
Net	13,339,862.46	(15,836.50)	(33,167.40)	13,290,858.56

15. DEFERRED TAX ASSETS - NET (Con't)

15.1 Movements in deferred tax assets and liabilities during the year are as follows: (con't)

Unit : Baht				
Separate				
(Charged) Credit for the year to				
As at	Other		As at	
Jan 1, 2016	Profit or loss	comprehensive income	Dec 31, 2016	
Deferred tax assets :				
Trade accounts and other current receivable	2,686,836.43	6,489.87	-	2,693,326.30
Inventories	10,471,110.36	(135,355.61)	-	10,335,754.75
Other current assets	197.62	1.09	-	198.71
Available-for-sale securities	145,598.40	-	6,294.40	151,892.80
Provision for returned goods	399,760.59	(24,421.67)	-	375,338.92
Provision for employee benefits	3,535,537.80	181,814.60	(402,945.60)	3,314,406.80
Total	17,239,041.20	28,528.28	(396,651.20)	16,870,918.28
Deferred tax liabilities :				
Property, plant and equipment	(3,112,554.15)	(324,070.06)	-	(3,436,624.21)
Intangible assets	(71,940.25)	(22,491.36)	-	(94,431.61)
Total	(3,184,494.40)	(346,561.42)	-	(3,531,055.82)
Net	14,054,546.80	(318,033.14)	(396,651.20)	13,339,862.46

15.2 Income tax expenses for the year are as follows:

Income tax recognized in profit or loss

Unit : Baht				
Consolidated		Separate		
2017	2016	2017	2016	
Current income tax :				
Corporate income tax charge	6,242,984.40	7,334,206.35	5,154,252.44	6,230,725.74
Deferred tax :				
Movement in temporary differences	7,808.50	311,666.54	15,836.50	318,033.14
Income tax expense (income)	6,250,792.90	7,645,872.89	5,170,088.94	6,548,758.88

15. DEFERRED TAX ASSETS - NET (Con't)

15.2 Income tax expenses for the year are as follows: (Con't)

Income tax recognized in profit or loss (Con't)

Unit : Baht

For the year ended December 31, 2017						
Consolidated			Separate			
	Tax (expense)			Tax (expense)		
	Before tax	income	Net tax	Before tax	income	Net tax
Deferred tax for :						
Profit (Loss) on fair value of investment in available-for-sale securities	98,912.00	(19,782.40)	79,129.60	98,912.00	(19,782.40)	79,129.60
Gain (Loss) on remeasurements of employee benefit obligations	58,211.00	(11,642.20)	46,568.80	66,925.00	(13,385.00)	53,540.00
Total	157,123.00	(31,424.60)	125,698.40	165,837.00	(33,167.40)	132,669.60

Unit : Baht

For the year ended December 31, 2016						
Consolidated			Separate			
	Tax (expense)			Tax (expense)		
	Before tax	income	Net tax	Before tax	income	Net tax
Deferred tax for :						
Profit (Loss) on fair value of investment in available-for-sale securities	(31,472.00)	6,294.40	(25,177.60)	(31,472.00)	6,294.40	(25,177.60)
Gain (Loss) on remeasurements of employee benefit obligations	2,004,212.00	(400,842.40)	1,603,369.60	2,014,728.00	(402,945.60)	1,611,782.40
Total	1,972,740.00	(394,548.00)	1,578,192.00	1,983,256.00	(396,651.20)	1,586,604.80

15.3 Reconciliation for effective tax rate

	Consolidated			
	2017		2016	
	Tax rate	Tax amount	Tax rate	Tax amount
	(%)	(Baht)	(%)	(Baht)
Profit before income tax		31,794,657.90		37,716,081.29
Tax expense	20%	6,358,931.58	20%	7,543,216.25
Tax effect of expenses that are not deductible for tax purposes:		(108,138.68)		102,656.64
Tax expense (effective rate)	20%	6,250,792.90	20%	7,645,872.89

15. DEFERRED TAX ASSETS - NET (Con't)

15.3 Reconciliation for effective tax rate (Con't)

	Separate			
	2017		2016	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Profit before income tax		26,468,713.31		33,066,460.58
Tax expense	20%	5,293,742.66	20%	6,613,292.11
Tax effect of expenses that are not deductible for tax purposes:		(123,653.72)		(64,533.23)
Tax expense (effective rate)	22%	5,170,088.94	20%	6,548,758.88

15.4 Tax Rate

Current income tax :

The Company and its subsidiaries calculated income tax from net profit for the year at the rate 20% of net profit for the year after adjust non taxable expenses and revenue in accordance with the Revenue Code.

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

Deffered tax :

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

16. BANK OVERDRAFTS

Bank overdrafts are as follows:

		Unit : Baht			
	Interest rate % per annum	Consolidated		Separate	
		2017	2016	2016	2015
Bank overdrafts	MOR	1,575,221.81	9,116,869.06	-	-

The Company and its subsidiaries' credit facilities and obligations as described in Note 26 to the financial statements.

17. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE

Trade accounts and other current payable consist of.-

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Trade accounts payable				
Related companies	128,801.25	149,383.77	128,801.25	149,383.77
Other companies	5,677,743.89	4,177,884.88	5,677,743.89	4,177,884.88
Total	5,806,545.14	4,327,268.65	5,806,545.14	4,327,268.65
Other current payables				
Subsidiaries	-	-	287,882.50	1,803.81
related companies	-	240,000.00	-	240,000.00
Other companies	581,055.73	605,644.78	556,010.59	594,094.50
Accrued expenses	7,422,960.51	8,903,583.07	6,678,272.24	7,257,050.80
Advance receipts	573,174.06	835,100.86	573,174.06	729,559.72
Total other current payables	8,577,190.30	10,584,328.71	8,095,339.39	8,822,508.83
Total trade accounts and other current payables	14,383,735.44	14,911,597.36	13,901,884.53	13,149,777.48

18. PROVISION FOR EMPLOYEE BENEFITS - NET

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

Employee benefit obligation are recognize to liabilities as follows :

Unit : Baht				
	Consolidated		Separate	
	2017	2016	2017	2016
Opening balance as at January 1,	16,742,478.00	17,805,784.00	16,572,034.00	17,677,689.00
Current service cost	2,540,284.00	944,317.00	2,504,460.00	915,592.00
Interest cost	402,100.00	345,860.00	397,784.00	342,752.00
Employee benefits paid during the year	(100,600.00)	(349,271.00)	(100,600.00)	(349,271.00)
Loss (gain) on remeasurements	(58,211.00)	(2,004,212.00)	(66,925.00)	(2,014,728.00)
Ending balance as at December 31,	19,526,051.00	16,742,478.00	19,306,753.00	16,572,034.00
<u>Less</u> Current portion	<u>(9,674,095.00)</u>	<u>(7,719,018.00)</u>	<u>(9,674,095.00)</u>	<u>(7,719,018.00)</u>
Employee benefits obligations - net	9,851,956.00	9,023,460.00	9,632,658.00	8,853,016.00

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

During the year 2017, the Labor Protection Act was amended as follow :

(1) Retirement is an employment termination which an employer is required to pay severance compensation to the retiring employee in accordance with the Act.

(2) The retirement age can be determined :

- Solely by the employer, or ;
- By agreement between employer and employee

(3) If the retirement age is not determined or exceeds sixty year, the employer who is sixty year of age of older, can elect to retire and become entitled to severance pay by declaring his intention to the employee.

The expense is recognized in the following line items in the comprehensive income:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Profit or loss				
Cost of goods sold	1,150,365.00	983,422.00	1,150,365.00	983,422.00
Distribution costs	162,724.00	60,585.00	162,724.00	60,585.00
Administrative expense	296,770.00	135,942.00	278,432.00	121,922.00
Management's benefit expense	1,332,525.00	110,228.00	1,310,723.00	92,415.00
Total	<u>2,942,384.00</u>	<u>1,290,177.00</u>	<u>2,902,244.00</u>	<u>1,258,344.00</u>
Other comprehensive income				
Loss (gain) on remeasurements	<u>(58,211.00)</u>	<u>(2,004,212.00)</u>	<u>(66,925.00)</u>	<u>(2,014,728.00)</u>

Gain (loss) on remeasurement of employee benefit obligations in other comprehensive income arising from :

	Unit : Baht
	Consolidated
Financial assumptions	(150,739.00)
Demographic assumptions	92,528.00
Total	<u>(58,211.00)</u>

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

Principal actuarial assumptions at the reporting date are as follows:

	Consolidated and Separate	
	Dec 31, 2017	Dec 31, 2016
Discount rate	2.41%	2.24%
* Mortality rate	TMO2008	TMO2008
Salary increase rate	3%	3%
Employee turnover rate	0% - 28%	0% - 28%
Normal retirement age (year)	60	60

* Reference from TMO08 : Thai Mortality Ordinary Table 2008

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.-

	Unit : Baht	
	Consolidated	
	Increase	Decrease
Defined benefit obligation December 31, 2017		
Discount rate (1% movement)	(851,659.00)	963,165.00
Future salary growth (1% movement)	889,338.00	(802,128.00)
Resignation rate (1% movement)	(910,363.00)	540,646.00

Amounts of defined benefit obligation for the current and previous four-periods are as follows.

	Unit : Baht	
	Consolidated	Separate
2017	19,526,051.00	19,306,753.00
2016	16,742,478.00	16,572,034.00
2015	17,805,784.00	17,677,689.00
2014	15,564,198.00	15,485,278.00
2013	15,664,270.00	15,548,365.00

19. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings per share for the period is calculated by dividing net income (loss) for the period (excluding other comprehensive income) by the weighted average number of common shares as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
Profit (Loss) attributable to ordinary shareholders of the Company (Basic) (Baht)	25,501,412.59	30,034,683.33	21,298,624.37	26,517,701.70
Number of common shares issued (Share)	10,000,000	10,000,000	10,000,000	10,000,000
Basic earnings (Loss) per share (Baht : Share)	2.55	3.00	2.13	2.65

20. DIVIDEND PAID

- 20.1 At the Annual General Meeting of 2017 held on April 10, 2017, it was approved to pay dividend from retained earning of the Company at the rate of Baht 0.70 per share totaling to Baht 7 million, and approved to appropriate legal reserve from net profit at 5% of net profit amounting to Baht 1.20 million.
- 20.2 At the Annual General Meeting of 2016 held on April 8, 2016, it was approved to pay dividend from net profit from its operation for the year 2016 at Baht 0.60 per share amounting to Baht 6.00 million and to appropriate legal reserve from net profit at 5% of net profit amounting to Baht 0.90 million.

21. LEGAL RESERVE

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

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

22. EXPENSES BY NATURE

Significant expenses classified by nature consist of:-

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Change in inventories of finished goods and work in process	3,496,308.58	3,246,649.79	3,496,308.58	3,246,649.79
Raw material and consumable used	59,504,469.96	56,984,106.57	59,504,469.96	56,984,106.57
Employee benefits	56,730,404.81	57,669,002.84	56,073,786.34	56,974,622.84
Depreciation and amortization	13,206,630.29	10,823,759.18	10,473,808.98	10,747,886.45
Promotion expenses	16,628,283.22	13,025,449.86	16,572,183.22	12,883,429.86
Rental for operating leases	5,060,747.64	5,240,747.64	17,120,747.64	17,300,747.64
Utilities expenses	9,642,647.06	10,094,499.82	9,335,951.02	10,094,499.82

23. OPERATING SEGMENT

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

The majority of the operations of the Company and its subsidiaries involve the business segments of production and distribution of pen and related products, together with space rental (as having revenue and assets less than 10% of total revenue and total assets of all segments). The Company's management therefore, did not present the financial information by business segment.

The Company and its subsidiaries geographical segment is in domestic and overseas. The geographical segment of export sales constituted 10% of total sales. The Company's management therefore, did not present the financial information by geographical segment.

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

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

Unit : Baht				
Consolidated and Separate				
	Level 1	Level 2	Level 3	Total
<u>As at December 31, 2017</u>				
Financial assets measured at fair value				
Non - current :				
Available for sale securities	339,448.00	-	-	339,448.00
<u>As at December 31, 2016</u>				
Financial assets measured at fair value				
Non - current :				
Available for sale securities	240,536.00	-	-	240,536.00

During the current year, there were no transfers within the fair value hierarchy.

25. FINANCIAL INSTRUMENTS

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

25.1 Accounting Policies

The related accounting policies as described in Note 4.18 to the financial statements.

25. FINANCIAL INSTRUMENTS (Con't)

25.2 Financial risk management

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

25.3 Credit Risk

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

For the financial assets, the carrying amount of assets recorded in the statement of financial position, net of an allowance for doubtful accounts, represents the company's maximum exposure to credit risk.

25.4 Interest rate risk

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

Financial assets and financial liabilities of the Company and its subsidiaries' interest rate risk are as follows:

Consolidated financial statements (As at December 31, 2017)						
Unit : Thousand Baht						(% p.a.)
Fixed interest rates		Floating		Total	Effective Interest rate	
Within 1 year	Over 1-5 years	interest rate	Non - interest bearing			
Financial assets						
Cash and cash equivalents	-	-	24,225	36,313	60,538	0.125 - 0.50
Trade accounts and other current receivables	-	-	-	46,253	46,253	-
Long-term investment	-	9,400	-	339	9,739	0.15 - 0.14
Financial liabilities						
Bank overdraft	-	-	1,575	-	1,575	MOR
Trade accounts and other current payables	-	-	-	14,384	14,384	-
Accrued corporate income tax	-	-	-	2,880	2,880	-

25. FINANCIAL INSTRUMENTS (Con't)

25.4 Interest rate risk (Con't)

Consolidated financial statements (As at December 31, 2016)

	Unit : Thousand Baht					(% p.a.)
	Fixed interest rates		Floating		Total	Effective Interest rate
	Within 1 year	Over 1-5 years	interest rate	Non - interest bearing		
Financial assets						
Cash and cash equivalents	-	-	13,191	23,728	36,919	0.25 - 0.625
Trade accounts and other current receivables	-	-	-	51,775	51,775	-
Long-term investment	-	9,400	-	241	9,641	1.15 - 2.38
Financial liabilities						
Bank overdraft	-	-	9,117	-	9,117	MOR
Trade accounts and other current payables	-	-	-	14,992	14,992	-
Accrued corporate income tax	-	-	-	3,044	3,044	-

Seperate financial statements (As at December 31, 2017)

	Unit : Thousand Baht					(% p.a.)
	Fixed interest rates		Floating		Total	Effective Interest rate
	Within 1 year	Over 1-5 years	interest rate	Non - interest bearing		
Financial assets						
Cash and cash equivalents	-	-	22,258	29,819	52,077	0.125 - 0.50
Trade accounts and other current receivables	-	-	-	58,140	58,140	-
Long-term investment	-	-	-	339	339	-
Long-term loans to related companies	4,000	20,000	38,600	-	62,600	0.125 - 7.12
Financial liabilities						
Trade accounts and other current payables	-	-	-	13,902	13,902	-
Accrued corporate income tax	-	-	-	2,677	2,677	-

25. FINANCIAL INSTRUMENTS (Con't)

25.4 Interest rate risk (Con't)

Seperate financial statements (As at December 31, 2016)						
	Unit : Thousand Baht					(% p.a.)
	Fixed interest rates		Floating			
	Within	Over 1-5	interest	Non - interest		Effective
	1 year	years	rate	bearing	Total	Interest rate
Financial assets						
Cash and cash equivalents	-	-	11,318	17,862	29,180	0.50 - 0.625
Trade accounts and other current receivables	-	-	-	60,916	60,916	-
Long-term investment	-	-	-	241	241	-
Long - term loans to related companies	-	20,000	38,600	-	58,600	0.125 - 7.37
Financial liabilities						
Bank overdraft	-	-	-	-	-	-
Trade accounts and other current payables	-	-	-	13,150	13,150	-
Accrued corporate income tax	-	-	-	2,964	2,964	-

25.5 Currency risk

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

The Company and its subsidiaries' significant assets and liabilities which were not hedged against foreign exchange risk are as follows:

Foreign Currency	As at December 31, 2017				
	Unit of foreign currency				Baht per unit of foreign currency
	Consolidated		Separate		Exchange rate as at December 31, 2017
	Assets	Liabilities	Assets	Liabilities	
US Dollar	30,853.26	20,836.86	30,853.26	20,836.86	32.6407
Euro	1,181.80	54,533.15	1,181.80	54,533.15	38.9753
Singapore Dollar	14,550.00	14,774.31	14,550.00	14,774.31	24.4157
Swiss franc	689.95	-	689.95	-	33.3592
Yen	44,897.10	-	44,897.10	-	28.9404 per Yen 100

25. FINANCIAL INSTRUMENTS (Con't)

25.5 Currency risk (Con't)

As at December 31, 2016					
Foreign Currency	Unit of foreign currency				Baht per unit of foreign currency
	Consolidated		Separate		Exchange rate as at December 31, 2016
	Assets	Liabilities	Assets	Liabilities	
US Dollar	81,390.24	31,383.53	81,390.24	31,383.53	35.8307
Euro	179,081.80	3,689.50	179,081.80	3,689.50	37.7577
Singapore Dollar	55,544.38	1,730.08	55,544.38	1,730.08	24.8010
Swiss franc	1,326.25	2,901.30	1,326.25	2,901.30	35.1571
Yen	14,550.00	-	14,550.00	-	30.8000 per Yen 100

25.6 Liquidity risk

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

25.7 Fair value of financial instruments

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

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

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

26. CREDIT FACILITIES AND OBLIGATIONS

The Company and its subsidiaries' credit facilities and issue bank guarantees through agreements with several commercial banks are as follows:

	Unit : Baht			
	Consolidate		Separate	
	2017	2016	2017	2016
Bank overdrafts	77,000,000.00	77,000,000.00	64,000,000.00	64,000,000.00
Short-term loans	59,000,000.00	59,000,000.00	59,000,000.00	59,000,000.00
Letter of credits and trust receipts	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00
Bank guarantees	4,600,000.00	4,600,000.00	4,600,000.00	4,600,000.00
Total	185,600,000.00	185,600,000.00	172,600,000.00	172,600,000.00

The above-mentioned credit facilities were secured by land and buildings there on of the Company and its subsidiaries as described in Notes 12 and 13 to the financial statements and guaranteed among the Company and its subsidiaries and co-guaranteed by a related company.

Under the loans agreement, the Company and its subsidiaries must comply with certain conditions and restrictions stipulated in the agreement

27. COMMITMENTS AND CONTINGENT LIABILITIES

- 27.1 The Company and its subsidiaries had entered into land, building and machine rental agreements and shall pay rental and service fees in the future as follows:

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Year 2017	-	6,020,747.64	-	15,335,747.64
Year 2018	5,660,747.64	4,760,747.64	14,975,747.64	4,760,747.64
Year 2019	4,790,747.64	4,760,747.64	4,760,747.64	4,760,747.64
Total	10,421,495.28	15,542,242.92	19,736,495.28	24,857,242.92

- 27.2 As at December 31, 2016, a subsidiary had future commitment to pay for assets amounting to Baht 0.21 million in the consolidated financial statements.
- 27.3 As at December 31, 2017 and 2016, except liabilities presented on statements of financial position, the Company were in possession of contingent liabilities in respect of letters of guarantee issued by banks for its commitments in normal business amounting to Baht 2.96 million.
- 27.4 As at December 31, 2017 and 2016, the Company and its subsidiaries were in possession of commitments in respect of guaranteeing credit facilities among each other as described in Condensed Note 5.3.1 to the financial statements.

28. CAPITAL MANAGEMENT

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

As at December 31, 2017 and 2016, debt-to-equity ratio in the consolidated financial statements was 0.13 : 1 and 0.16 : 1 respectively and the separate financial statements was 0.13 : 1 and 0.13 : 1 respectively.

29. EVENT AFTER REPORTING PERIOD

At the Board of Director's Meeting No. 1/2018 held on February 26, 2018, it was approved to pay dividend from retain earning of the Company at Baht 0.6 per share amounting to Baht 6 million with was paid on May 4, 2018.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 26, 2018