

(Translation)



O.C.C. Public Company Limited

Information Memorandum on Acquisition of Assets

October, 2017

Part 1

Information on the Acquisition of Assets

1. Name and Address of Listed Companies

Company Name : O.C.C. Public Company Limited
Address : 729/4-7 Radchadaphisek Rd., Bangpongpan, Yannawa, Bangkok
10120
Telephone No. : 02-295-4545, 02-295-4567
Fax No. : 02-295-0411

2. Date/ Month/ Year and No. of the Company's Board of Director's Meeting that approved the Purchase of Assets

- The Board Meeting of O.C.C. Public Company Limited No. 6/2560 held on October 10th, 2017

3. Date/ Month/ Year of Transaction

- The land shall be registered and transferred of ownership by paying in one settlement on October 20th, 2017 at the Land Office where the lands are located.

4. Party concerned and Details of Acquisition of Assets

- Buyer : O.C.C. Public Company Limited
- Seller : Mr. Jirawat Mekawuttik

The third party who is not a related person and has no relationship with the directors and/or the executives of the Company and/or major shareholders including those who are related to this person.

5. General Characteristics of the Transaction

Transaction Type: Acquisition or Disposal of Assets of Category 2 as classified following the Notification of the Stock Exchange of Thailand

Consideration of Transaction Value: Value of acquisition of assets has compared to value of total assets of the Company by comparing with actual buying and selling price of the land that is located nearby.

Transaction Size: Equivalent to 17.82% of the Company's total assets as at June 30th, 2017 and when included the same category of transaction that occurred during 6-month period the size of transaction will be 29.51%. In accordance with the criteria of acquisition or disposal of assets for the listed companies, to notice to the SET is a

must. Circulate letters shall be sending to the shareholders to acknowledge within 21 days counting upon the date of informing to the SET.

6. Detail of Acquisition of Assets

Assets are the land of 7 title deeds with connection of one. Total area is 1-1-62 Rai (562 Square Wa). The lands are located on Tumbol Bangpongpan, Amphor Yannawa, Bangkok which are next to the Rama 3 Road, on the opposite side of Chao Praya River and not far from the Company's head quarter office. Details are as follows:

No.	Title Deed No.	Map Sheet No.	Parcel No.	Dealing File No.	Total Area
1.	59792	5136 III 6412-7	502	644	85.2 Wa ²
2.	59793	5136 III 6412-7	878	12147	77.0 Wa ²
3.	59794	5136 III 6412-7	879	12148	79.3 Wa ²
4.	59795	5136 III 6412-7	880	12149	75.8 Wa ²
5.	59796	5136 III 6412-7	881	12150	87.7 Wa ²
6.	59797	5136 III 6412-7	882	12151	79.7 Wa ²
7.	59798	5136 III 6412-7	883	12152	77.3 Wa ²
Total Area					1-1-62 Rai (562 Wa²)

7. Total Value of Consideration

- Selling Price - Baht 350,000/ Wa². Total value of asset purchase is Baht 196,700,000 (one hundred ninety six million seven hundred thousand Baht only)
- Obligation : -NIL-
- Payment : shall be made in cash by one settlement on October 20th, 2017 at the Land Office where the lands are located.

So that, the Company's Board has considered the value of the lands are appropriate by taking the same condition of evaluating price of the Land Department to evaluate the comparison with actual selling price at the area nearby. The agreed with the offered price to sale which was higher than evaluating price of the Land Department and it was reasonable.

8. Purpose and Benefit that the Company shall acquire from the Land Purchase

To add more of the Company's land property by considering on the proper location in one-connecting land with convenient transportation and is close to Rama 3 Road. There is a future project to increase value added of the assets by having the studying to have the construction of townhome building on the land for sale and/ or long term lease and /or to sell partial or whole land if the price is good. Also, some part of the land is able to undertake the move the Company's office in the future.

9. Source of Fund

30% is from the Company's Working Capital, and 70% shall be the loan from the financial institutes. That means the Company shall get the loan from the bank amount of approximate Baht 140 million which is a 6-months short term with interest rate 1.7 – 1.9 per year.

However, the loan application from the financial institutes shall have no condition or limitation that be related to the Company's dividend.

10. Opinion of the Board of Director

Agreed to approve the Company to buy the land for investment as mentioned above as the price is reasonable The Company had no independent appraisers to evaluate the price. The evaluated price of the land office as at October 9, 2017 is adopted to be the regulation for evaluating the comparison of actual price to sell and buy the land of the land on the nearby location. The offered price to sell is higher than the price that is evaluated by the Land Department but is similar to actual selling and buying price of the lands with the similar location on nearby land, is reasonable and considered as the Company's gain.

11. Opinion of the Audit Committee and/or the Company's Directors that are different from the Opinion of the Board of Director in accordance with clause 7

-NIL-

12. Accuracy of Information

The Company has disclosed complete and accurate information, not false, made another mistake or lack of information should be informed of the essence. It's also certified the summary of Financial Statement and Financial Information in the Information Memorandum that are shown completely and accurately on the matter of substance concerning to the financial position, operating result and cash flow of the Company.

13. Other Information that may significantly affect the decision of the Company's investors

-NIL-

Part 2

Company Profile

Nature of Business Operation

Background

The Company has been established since 1973 under the name O'Leary Covermark Center Company Limited for being the beauty service center and distributing the cosmetics of O'Leary Covermark. Later on the Company has expanded distributed channels to department stores and beauty salons throughout the countries. The Company's business operation kept growing up with sustainability and there were more variety of the products for the distribution.

Overview of the Company's Operation

The Company has been authorized to be the Listed Company in the Stock Exchange of Thailand since 1987. In 1994 the Company has been transformed to be "Public Company Limited" and to distribute various products by classified as follows:

Cosmetics: Comprising of cosmetics for face and body under the brands: Covermark, Sungrace, KMA, Paul & Joe and hair care products under the brands: Shiseido Professional, Zotos and BSC Hair Care

Clothes: Comprising of lingerie, nightwear and lady sport wear under the brands Guy Laroche, G&G and Gunze

Musical Instruments: Comprising of piano and violin of Ritmuller's brand

The Company's core business is to distribute the products in Thailand and the main target of the Company's customers are working women who care for good quality products and service with best attention for enhancing their personality to be confident as well as to aware of taking good care in skin care, healthy body and mind, own happiness and the accompany.

Revenue Structure

Products	6 months 2017	Ratio	2016	Ratio	2015	Ratio	2014	Ratio
Cosmetics	575,300	86.53%	1,179,275	85.94%	1,213,157	86.41%	1,222,840	86.17%
Clothes	87,859	13.21%	191,585	13.96%	187,482	13.35%	192,218	13.54%
Music Instruments	1,720	0.26%	1,399	0.10%	3,338	0.24%	4,101	0.29%
Total	664,879	100.00%	1,372,259	100.00%	1,403,977	100.00%	1,419,159	100.00%

The Company's Business Trend

1. Future Plan

The Company has a project to develop the products and service that concerned to the beauty and lifestyle for enhancing personality, confidence and elegant beauty of the ladies. The Company has know-how and is specialize in this business filed. In order to give response to the demand consumers' demand that have more variety while the quality and price are reasonable. Also the Company has a plan to increase sales channels via E-Commerce in order to provide convenience to the customers who are the target to easily approach to the products. Furthermore, the selling points in departments and modern trade will be expanded to cover the area

Besides, the Company also has the policy to add more the assets and expand the channels to deal business in the category of land property. There is a future plan to build up value of the assets by having the construction of Home-Town building styling on the land for selling and/or for long-term leasing and/or to sell part or whole of the land if the price is good. It's also be able to take some part of the land to undertake the move of the Company's office in the future. Therefore, when consider upon the appropriate location of the land and has one-piece connecting land which is close to Rama III Road and convenient transportation.

2. Risks Factors

- Risks on Business Operation

The Company's business is to distribute cosmetics, apparels and music instruments. The Company imports the products directly from abroad by 0.95% while the balance products has been supplied by the factories under the license from abroad by 99.05%. Nowadays, the Company's major suppliers is Pias Intercosmex (Thailand) Co., Ltd. The Company had purchased the products in high ratio which the buying amount was Baht 315.44 million or equivalent to 42.30% of the Company's total purchase.

The mentioned company is the owner of the license of the Company's major products, meanwhile, the Company hold the license of being sole distributor in Thailand. Therefore, no obstacle in doing long-term business in the future.

- Risks on Consumers' Behavior

Present day, behavior of the consumers are changed so much. They prefer to test the new products and service. They are sensitive with fast sensory and sometime they follow the social trend. Therefore, it caused the brand royalty to be less.

The Company managed the risks by listening to the comment and suggestion from different groups of consumer in order to develop the merchandises and services to have outstanding quality, modern, standard, satisfaction and worth for the money of the consumers. Furthermore, the administration line of Customer Relationship Management is another channel to communicate with the customers promptly as well as to increase pleasant level and top impression for keep maintain the existing customer base together with the increase of new customers.

- Risks on Trade Finance

The assets and liabilities as shown on the balance sheet are consisted of cash, transaction equivalent to cash, investment, trade accounts receivable and payable, other trade accounts and loans. The accounting policy, that was used to record and measure the value of financial tools, has been disclosed in the released notes to the financial statements. The Company has reduced the risks on of using financial tools as follows:

1. Credit Risks

Risks on granting credit may occur by the customer who may be unable to practice in accordance with the agreement. The Company has policy to prevent this risks by analyzing financial status of the customers, having the tight measurement to control credit amount and to follow up so closely. The maximum value of credit risks equivalent to the next book value after reduction of the allowance for doubtful debit as shown on the balance sheet.

2. Risks on Interest Rates

Risks on the change of interest may cause the damage on the Company in present installment or in the next installment. The Company is able to manage this likelihood risks because the Company has set a plan and follow up the situation as all times. There is no outstanding loans at present.

3. Risks on Exchange Rates

AS at June 30, 2017, the Company had no foreign currency loan but there were import purchase in less amount. Therefore, the management trusted on minimized risks of currency exchange in present to stay in low level.

4. Risks on Credit Loan for Investment

At present, the company has investments in the Fixed Income Fund, Fixed Deposit Account and Bonds at total approximately Baht 172 million and the net cash flow from the business operation at average approximately Baht 4 million. The Company is confident that there are no obstacles in regard to the ability to pay back the loan in the case of having part of loan to buy the assets for the investment's increase.

Capital Structure

- **Assets of the Company**

The registered capital of the Company is Baht 80 million and the paid-up amount is Baht 60 million that consist of 60,000,000 common shares with a par value of Baht 1.00

- **Shareholders**

(A) List of top ten shareholders with number of holding shares and ratio as of the Record Date on 10th October 2017 are as follows:

Major Shareholders	Number of Shares	Ratio
1. I.C.C. International PLC	11,839,980	19.733
2. Mr.Samrerng Manoonpol	9,149,940	15.250
3. Saha Pathana Inter-Holding PLC	7,635,000	12.725
4. I.D.F. Co., Ltd.	2,925,000	4.875
5. Mr.Boonkiet Chokwatana	2,844,300	4.741
6. Miss Pathchara Sungvorachart	2,197,710	3.663
7. Watsadoramai Co., Ltd.	1,831,325	3.052
8. Mrs.Teerada Ambhanwong	1,624,570	2.708
9. Mr.Boonsithi Chokwatana	1,357,490	2.262
10. Mrs. Rewadee Dhanasarnsilp	994,960	1.658
Total	42,400,275	70.667

▪ **The Company's Directors and Executives**

(A) List of the Company's Directors and Company Share's Report of 2016-2017
as of the Record Date on 10th October 2017

Name	Total Shares (Shares)		Increase/ Decrease Annual (Shares)	Portion of O.C.C. Shareholding
	31 December 2016	10 October 2017		
Mrs.Kanchana Saisiriporn Chairman	200,000	200,000	-	0.33%
Spouse and Minor Children	-	-	-	-
Mrs.Teerada Ambhanwong Managing Director & CEO	1,831,325	1,831,325	-	3.05%
Spouse and Minor Children	-	-	-	-
Mr.Manu Leelanuwattana Director	-	-	-	-
Spouse and Minor Children	-	-	-	-
Mr.Chailert Manoonphol Director	30,000	30,000	-	0.05%
Spouse and Minor Children	-	-	-	-
Mrs.Tipaporn Chokwatana Director	135,000	135,000	-	0.23%
Spouse and Minor Children	2,844,300	2,844,300	-	4.74%
Mrs.Watchanee Watanathawanwong Independent Director	-	-	-	-
Spouse and Minor Children	-	-	-	-
Mr.Wanchai Umpungart Independent Director	-	-	-	-
Spouse and Minor Children	-	-	-	-
Mr.Knit Kounavudhi Independent Director	-	-	-	-
Spouse and Minor Children	-	-	-	-

(B) List of the Company's Executives and Company Share's Report of 2016-2017 as of the Record Date on 10th October 2017

Name	Total Shares (Shares)		Increase/ Decrease Annual (Shares)	Portion of O.C.C. Shareholding
	31 December 2016	10 October 2017		
Mrs.Teerada Ambhanwong Managing Director & CEO	1,831,325	1,831,325	-	3.05%
Spouse and Minor Children	-	-	-	-
Mrs.Chantra Tangtanasingkarn Director Accounting-Finance Division	-	-	-	-
Spouse and Minor Children	51,210	51,210	-	0.09%
Ms.Rattana Wonglertwit Director Office Administration Division	196,790	196,790	-	0.33%
Spouse and Minor Children	-	-	-	-
Ms.Siriporn Tangtanasingkarn Director Cosmetics Marketing Division	2,000	2,000	-	0.00%
Spouse and Minor Children	-	-	-	-
Dr.Pattara Pathumarak Act for Director Fashion Lifestyle Marketing Division	-	-	-	-
Spouse and Minor Children	-	-	-	-

Dividend Payment Policy

The Company pays dividends to the shareholders every year by having policy to pay dividends to the shareholders not less than Baht 0.30 or equivalent to 30% of Par value. The Boards of Directors considers it from the performance of the Company's operation and the economic situation as principles. Over the past five years, the Company pays dividends to the shareholders fairly in a reasonable rate according to the economic situation in that moment and summarize as follows:

Year	2016	2015	2014	2013	2012
Value of Share (Baht)	1.00	1.00	1.00	1.00	1.00
Dividend per Share (Baht)	0.70	0.70	0.75	0.80	0.80
Total Amount (Baht)	42,000,000	42,000,000	45,000,000	48,000,000	48,000,000
Ratio (%) Net Profit	59.33%	50.68%	47.12%	47.35%	44.88%

Therefore, to apply for credit loan to buy the land for investment purpose in accordance with this information memorandum there will be no conditions or restrictions on such dividend payment.

Part 3

Financial Information

Financial Status and Performance

Financial Statement

(A) Auditing Report

According to the summary of Auditing Report during the past 3 years, the Auditor had unconditioned opinion on the audit.

(B) Financial Information

(Unit Baht 1:1000)

Description	Jan-June 2017		2016		2015		2014	
Revenue from sale and services	664,879	100.00%	1,372,258	100.00%	1,403,977	100.00%	1,419,159	100.00%
Less Cost of Goods Sold	338,000	50.84%	697,076	50.80%	720,647	51.33%	724,946	51.08%
Gross Profit	326,880	49.16%	675,182	49.20%	683,330	48.67%	694,213	48.92%
Less Selling & Administration Expenses	304,052	45.73%	633,216	46.14%	632,076	45.02%	616,769	43.46%
Operating Profit	22,828	3.43%	41,966	3.06%	51,254	3.65%	77,444	5.46%
Add Other Income	15,447	2.32%	45,240	3.30%	51,477	3.67%	40,284	2.84%
Profit before Interest and Income Tax	38,275	5.76%	87,206	6.35%	102,731	7.32%	117,728	8.30%
Less Income Tax	6,984	1.05%	16,418	1.20%	19,853	1.41%	22,236	1.57%
Net Profit (Loss)	31,291	4.71%	70,788	5.16%	82,878	5.90%	95,492	6.73%

Description	Jan-June 2017		2016		2015		2014	
Total Income	680,326	100.00%	1,417,499	100.00%	1,455,454	100.00%	1,459,443	100.00%
Total Expense	642,051	94.37%	1,330,292	93.85%	1,352,723	92.94%	1,341,715	91.93%
Profit before Income Tax	38,275	5.63%	87,206	6.15%	102,731	7.06%	117,728	8.07%
Less Income Tax	6,984	1.03%	16,418	1.16%	19,853	1.36%	22,236	1.52%
Net Profit (Loss)	31,291	4.60%	70,788	4.99%	82,878	5.69%	95,492	6.54%

(C) Financial Ratios

	Jan-June 2017	2016	2015	2014
<u>LIQUIDITY RATIO</u>				
Current Ratio	4.26 Times	3.71 Times	4.03 Times	3.22 Times
Quick Ratio	1.36 Times	1.27 Times	1.57 Times	1.22 Times
Cash Flow Liquidity Ratio	0.35 Times	0.47 Times	0.19 Times	0.64 Times
Account Receivable Turnover	6.91 Times	6.34 Times	6.54 Times	6.41 Times
Collection Period	52 Days	57 Days	55 Days	56 Days
Inventory Turnover	2.66 Times	2.80 Times	3.09 Times	2.81 Times
Inventory Coverage	136 Days	129 Days	117 Days	128 Days

	Jan-June 2017	2016	2015	2014
Account Payable Turnover	5.53 Times	6.18 Times	6.10 Times	5.03 Times
Payable Period	65 Days	58 Days	59 Days	72 Days
Cash Cycle	123 Days	128 Days	113 Days	112 Days
<u>PROFITABILITY RATIO</u>				
Gross Profit	49.16 %	49.20 %	48.67 %	48.92 %
Operating Profit	3.43 %	3.06 %	3.65 %	5.46 %
Other Income	3.19 %	3.19 %	3.54 %	2.76 %
Cash against Operating Profit	263.54 %	219.44 %	76.06 %	195.86 %
Net Earnings	4.60 %	4.99 %	5.69 %	6.54 %
Return on Equity	8.53 %	8.59 %	10.44 %	12.66 %
<u>EFFICIENCY RATIO</u>				
Return on Assets	6.34 %	6.36 %	7.63 %	8.94 %
Return on Fixed Assets	42.98 %	42.63 %	48.95 %	54.94 %
Assets Turnover	1.24 Times	1.27 Times	1.34 Times	1.37 Times
<u>FINANCIAL RATIO</u>				
Debt to Equity	0.33 Times	0.36 Times	0.34 Times	0.40 Times
Interest Coverage	N/A Times	N/A Times	N/A Times	N/A Times
Debt Coverage (Cash Basis)	1.01 Times	0.93 Times	0.77 Times	0.96 Times
Dividend Ratio		59.33 %	50.68 %	47.12 %

Analysis and Explanation of Management

1. Result of Performance and Financial Status

1.1. Overall of Performance and Financial Status in the Past

In 2017 the Company had earned revenue of 6-month period at Baht 680.33 million which decreased Baht 18.15 million when compared to the same period of previous year or equivalent to 2.60%. Total expense amount Baht 642.05 million was decreased Baht 18.96 million from previous year or equivalent to 2.87%. Net profit after deducted corporation income tax was Baht 31.29 million when compared to the same period of previous year it was increased Baht 0.48 million or equivalent to 1.56%.

As at June 30, 2017, total assets was Baht 1,104.06 million, it was decreased from December 31, 2016 at Baht 40.17 million or equivalent to 3.51%. The current assets was decreased Baht 44.75 million and the non-current assets was increased Baht 4.58 million. The current assets comprised of cash and cash equivalents were increased Baht 0.69 million. The temporary investment was increased Baht 9.58 million gaining from the increase of fixed deposit not exceed one year for amount of Baht 70 million and from the decrease of the equity instrument held for trade amount of Baht 60.42 million. Trade

account receivable and the others account receivable was decreased Baht 43.38 million following to the adjustment of sales amount and the control of administrative debt effectively. Inventory was decreased Baht 15.50 million due to the control of purchase. Other current assets was increased Baht 3.86 million. Non-current assets was increased long term investment at Baht 6.35 million gaining from the increase of market price of the equity securities available for sale and convertible bond. The immovable property for investment unchanged, the part of building and equipment was increased Baht 1.54 million. Intangible assets-net was decreased Baht 0.40 million. Leasehold rights was decreased Baht 0.77 million from the result of cut-paid basing on age. The assets of deferred income tax was decreased Baht 1.92 million and the other non-current assets was decreased Baht 0.22 million.

Thai economy situation of the first six months of 2017 was trended to grown up separately in section. Export sector was tended to grow up well as well as tourism sector that kept expended continuously following the campaign of visiting Thailand. Consumption sector remained not recover. Domestic expense was poor and buying power was weak because household debt remained stay in high level. Investment of private sector remained in low level and made decision to postpone the investment because they had no confidence and the financial institutes paid attention on approval credit to the business size of medium and small. Government sector postponed the expenditure in short term after had speed up the expenditure in earlier.

The economic condition faced to the minus factors and high uncertain environment including it has always changed. The consumer has had the existed burden of household liability in high level bring to decelerate the purchase by choosing the needful product and consuming in limit quantity. The situation of competition had even more intensity, day by day, and it had the competitors occurred in the market continuously. Although the Company had the promotion activities in various forms for stimulating the purchasing force but it was unable to increase the revenue for growing up which the several competitors have faced to the contracted purchasing force problem as well.

In addition, there was some other factors that has affected to the business performance in term of promoting, supporting and being the obstacles toward the business operation such as

- (1) The mega infrastructure investment of government sector was still in the beginning term, the financial institution has increased the strictness of credit to

the business, the crops price of agriculture was low level, the drought situation, the deceleration of manufacture in the industrial sector effected to the household income, the confidence in consumer has remained low level, the joint mourning for the passing of the King has effected to the domestic economy activity, these affected the purchasing force and spending less.

- (2) The inflation's average in last year had trend to increase as the recovery of domestic demand; nevertheless, the inflation has remained in low level that it has not affected to people's cost of living. The trend of Thai Baht value has directed to the volatility and weakened when compared with US Dollar after the US central bank announced the policy of raising interest rate in December. However, the swing of Thai Baht value all the year past was not effect to material cost and finished products that imported from abroad.

1.2 Policy and Plan of company in adaptation

- (1) According to the condition of competition in market has trended to more intense which both existent competitors and new competitors have competed continually by using the strategy in several dimensions for snatching the market share. The Company has planned strategy for maintaining the existing customer base and attempted to increase the number of new customer by promoting the activity at the sale point for stimulating of product trial and PR advertising brand directed to the target group for creating the brand awareness and interested in product test.
- (2) The Company has still paid attention to develop the innovative product that was outstanding for responding consumers' demand in any chance as well as to regularly improve quality of service to enhance consumers' confidence with utmost pleasant.
- (3) The Company has supported all of employee's skill and knowledge by having the skill training and education concerning to the business growth strategy. To create the Culture Working Team (CWT) for reinforcement the Company's 6 Values and the corporate favorable culture under "Beauty from Within". To create the operation's commitment for reaching target goal. And also, there are training courses and seminars which set up for all level staffs continuously in house and outdoor including the enhancement to create exchanging network for transferring knowledge in Intranet channel (Intranet Web Board)

1.3 Performance of each product

In 2017 the Company has total sales incomes of the first half year amount of Baht 664.88 million. It's decreased from previous year 2.57% gaining from the two major product lines as per each total sale as follows:

(A) Cosmetics, Music Instruments

The total sales amount was Baht 577.02 million or equivalent to 86.79% of the Company's total sales comparing to same period of previous year the ratio was 1.28 % decreased due to the decreased expense of consumers that followed to the delay of reviving economic condition. However, the Company was able to maintain the existing customer base firmly and if the internal confidence fully revive, the total sale will be grown up.

(B) Clothing Products

Its total sales amount was Baht 87.86 million or equivalent to 13.21% of the Company's total sale. It's 10.29% decreased when compared to the same period of previous year which came from the economy affect as well as the limited buying power. Furthermore, the consumers' household debt remained in high level, thus they must control their expense by spending money with save and paid for essential stuffs.

1.4. Performance versus Budget

In previous year, the Company didn't show estimate of operating result on the registration statement offering of securities.

1.5. Report of Auditors

In previous year, the Auditors have checked Company's Financial Statement and have commented that the Financial Statement was accurate as it should be materially of financial report standard.

1.6. Changing of the account policy significantly

The changing of account policy in 2016 did not affect materiality to the report of the Company's Financial Statement.

2. Profitable ability

2.1 Revenue

In 2017 the Company has earned total revenue from the first six months amount of Baht 680.33 million comparing to the period of previous year it decreased Baht 18.15 million. The main revenue came from the total sales were Baht 664.88 million which

decreased from the same period of previous year 2.57 % gaining from the two major product lines as above mentioned.

2.2 Cost of Sales and Expense

In passing 2017, the cost of goods sold was Baht 338.00 million or equivalent to 50.84% of total net sales that decreased from the same period of previous year 0.31% came from the sale of goods which has low cost but high in proportion. The total sales expenditure and administration were Baht 304.05 million. It decreased 2.54% from previous year coming from the category of employees and marketing promotion along with the same direction of sales decrease.

In previous year, there was unpaid interest because the Company has an excellent level of liquidity; therefore it can manage cash inflow and cash outflow with effectiveness.

2.3 Other Revenues

The revenue that didn't earned from the regular operation was Baht 15.45 million. It decreased from the same period of previous year Baht 0.62million or decreased 3.83 % receiving from dividend, received interest and expensed compensation.

2.4 Profit

After deducting cost of goods sold, selling and administrative expenses from total sales revenues, the Company has earned gross profit from the operation amount of Baht 22.83 million. It increased from previous year Baht 1.42 million, representing 6.62% as the above reasons while the other revenues decreased, resulting in a profit before the corporation income tax was Baht 38.28 million. It decreased only Baht 0.80 million from previous year or representing 2.14 %. After the deduction of the corporation income tax, the net profit was Baht 31.29 million or increased 1.56 % from previous year.

In comparison with Cash Flow Statement, ratio of net cash earning from operation against net profit ratio reached at 0.84 times, decreased 0.31 times from the same period of previous year, however that remained stay in good level.

2.5 Return on Shareholders' Equity

The Company paid dividend for the year 2016 amount of Baht 42.00 million, comparing the proportion as 59.33 % of net profit in 2016 that complies with the Company's dividend policy.

3. Ability to Asset Management

3.1 Quality of receivables

As at 30 June, 2017, amount of accounts receivable aged over 3 months was Baht 5.77 million, representing only 3.85% of all accounts receivable. In comparing with the year 2016 it increased only 4.91%. This affected to the credit management remained stay in good level and to follow up to accelerate the collected money closely. The Company has set up reserve for doubtful accounts with the same condition as 2016 amount of Baht 7.08 million.

3.2 Inventories and Impairment

As at 30 June, 2017, the worth of inventory was Baht 250.53 million. The Company reserved the allowance of inventory impairment by using the criterion as same as in previous year. Thus, the remainder reserved in this year was Baht 2.22 million, representing 0.89%.

3.3 Investment

In previous year, the Company was not increase the investment because the political circumstance and the economy condition were not conducive to investment, however; the Company has the potential to expand the investment whenever the overview of external market condition improved.

4. Liquidity and Source of Funds

4.1 Suitability of Capital Structure

(A) Capital Structure

As at 30 June, 2017, Ratio of the Company's Debt to Equity was only to 0.33 times and it decreased 0.03 times from 2016 and there was no balance loan. This index represented the stable and solid financial structure. When there was appropriate business's opportunity with worthy profit, the Company would be able to expand its investment by using the accumulated funds together with utilizing loans from financial institutes.

(B) Shareholders' Equity

As at 30 June, 2017, value of shareholders' was Baht 832.50 million. It's decreased from 2016 amount of Baht 6.97 million or equivalent to 0.83 % which decreased from payment of dividend in 2016, amount of Baht 42.00 million plus of net profit from first half of the year, amount of Baht 31.29 million and the profit which has not yet happened from the transformation of invested capital in accordance with the fair value principle amount of Baht 3.74 million Baht.

(C) Cash Flows

As at 30 June, 2017, net cash from the operating activities was Baht 60.16 million. It decreased from 2016 amount of Baht 29.08 million Baht due to the reduction of trade accounts receivable. Total net cash for investment's activities was Baht 17.47 million, which earned from the cash paid from the net investment Baht 11.47 million. The expense for purchasing the fixed assets Baht 6.05 million, and the purchase of intangible assets Baht 0.06 million. The cash received from selling the fixed assets was Baht 0.11 million. The net cash that has been spent for financing activities was Baht 42.00 million that it has been paid for dividend of shareholders including cash at beginning of the year, the balance net cash was Baht 56.37 million.

(D) Liabilities

As at 30 June, 2017, the Company had no balance of loans from financial institutes. During the year, there was none of loan as well. Therefore, there was no risk against any fluctuation of foreign currency exchange or interest rates. The Company had no problem at all to pay interest if it may need loans in some occasion. Most of existing liabilities were the Company's trade accounts payable and it had been always paid on time.

4.2 Liquidity and Ability to payable a liability

As at 30 June, 2017, the Company's ratio of liquidity equivalent to 4.26 times. It increased from 2016 by 0.55 times. The liquidity ratio rapid revolved equivalent to 1.36 times. It increased from 2016 by 0.09 times. The liquidity remained stay in high level while the circulated capital was sufficient. The overview of Cash Cycle, its average was 123 days, which the value was decreasing 5 days from previous year. The result came from the average period of time to collect debt that was shorter while the period of paying debt was longer.

As the value amount of current assets was Baht 737.71 million Baht which was higher than the current liability amount of Baht 564.35 million. The Company has no longer the balance of loans to return, thus this show the sufficiency of liquidity and the ability to payable liability obviously.

5. Key factors & Influence which may affect Future Performance of Financial Status

Thai economy of the second half of 2017 shall have potential to recover gradually. The important driving powder comes from the export sector to comply with the global economy that has been recovered and tourism sectors that has been expanded especially

the Chinese tourists and the other nations including the government sectors' expenditure that came back to speed up disbursement. As well as the project to invest in new infrastructure of transportation, that is expected to proceed in the second half of 2017, could support the confidence to private sector and activate the investment in private sector that concerned to the project of government sector. Furthermore, there was a measurement to speed up the investment of private sector such as financial measurement to support SMEs, the measurement to speed up the investment in special economic zone by giving more benefit for the investment. These shall build up confidence and investment climate to be well improved. However, Thai economy remained encounter with risk factors from the consumption of private sector that has trended not to be recovered and buying power of household staying in medium to low level remain in weak condition and there is a sign to be worse.

However, the Company will operate business without carelessness by drawing attention to the risk factors in every directions. The executing has prepared carefully to the any occurrence accommodating in advance for all circumstances. The Company has determined the emergency plan for the worse cases scenario and using the principle of good governance as well as commitment to develop products and services for meet the consumers' needs and create the impressive highest. To emphasize the follow up result of improved Information Technology Systems in order to make decision and problem solving on timely. The adding skill and developing potential of staffs become the professional in administration and create the good environment for achieving synergy and ready to step to the mutual success sustainable.

6. Legal Dispute

The Company had no legal dispute in the case that the Company may have negative affect toward the operation of the Company with significant.