

AUDITOR'S REPORT

To The Shareholders of S & J International Enterprises Public Company Limited

Opinion

I have audited the consolidated financial statements of S & J International Enterprises Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2018, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of S & J International Enterprises Public Company Limited for the same period.

In my opinions, the financial statements referred to above present fairly, in all material respects, the financial position of S & J International Enterprises Public Company Limited and its subsidiaries and S & J International Enterprises Public Company Limited as at December 31, 2018, their 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 Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Valuation of inventories

As at December 31, 2018, the Group companies have inventories after deduction of allowance for diminution in inventories in the consolidated financial statements, amount of Baht 698.05 million and the separate financial statements, amount of Baht 609.75 million, were disclosed in Note 8 to the financial statements, which are significant to the financial statements. Inventories of the Group companies are cosmetic products, which may be obsolete or deteriorated

or expected to be unsaleable. Therefore, management has to make judgment in the estimation of allowance for diminution in inventories, which based on the condition of goods, analysis of the movement of goods and historical experience.

My audit procedures included evaluating the internal control system of inventories management, observing the physical checking of inventories. Comparing the cost of inventories against expected net realizable value calculating from the selling price after year ended less selling expenses. Randomly testing provision for diminution in value of inventories and testing the validity of the preparation of the Company's production costs. To ensure accurate unit costs and allocation of related expenses to such products properly.

The results of the audited are satisfactory, and in my opinions, the valuation of inventories is appropriate as stated.

2. Transactions with related parties

The Group companies have transactions with several related parties, which were disclosed in Note 29 to the financial statements. The Group companies have to determine how to gather information to be disclosed in the notes to the financial statements are complete and accurate. The pricing policy is based on the trading price of normal business.

My audit procedures included evaluating and testing of control and effectiveness of the internal control system and collect information about transactions with related parties. I randomly checked transactions with related parties by inspection report transactions with related parties. I have audited the types of relationships with related parties, the documentation for the accounting recorded of income and expenses from related parties, the Company's accounting policy in setting trading price and comparative analysis of unusual items.

The results of the audited are satisfactory, and in my opinions, I did not find unusual items that material misstatement.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, 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 financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 Company 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

February 26, 2019

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Notes	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
ASSETS					
Current Assets					
Cash and cash equivalents	4.2 and 5	53,014,504	42,135,808	8,374,982	5,290,681
Short-term investments-					
Certificates of deposits		8,000,000	6,500,000	-	-
Trade accounts receivable	4.3 and 6	890,604,468	869,232,843	707,387,795	673,736,484
Other receivables					
Advance payment for inventories		29,087,280	15,938,777	23,523,898	13,793,863
Prepaid expenses		6,501,084	54,380,683	1,406,965	3,422,904
Others		6,475,867	3,134,862	12,318,347	5,423,514
Total other receivables		42,064,231	73,454,322	37,249,210	22,640,281
Short-term loans to subsidiary	7	-	-	4,000,000	4,000,000
Inventories	4.4 and 8	698,048,495	684,793,013	609,750,112	547,654,071
Other current assets		88,817,334	89,324,595	81,794,688	73,071,803
Total Current Assets		1,780,549,032	1,765,440,581	1,448,556,787	1,326,393,320
Non-Current Assets					
Investments in available-for-sale securities	4.5 and 9	998,748,082	1,142,594,755	998,748,082	1,142,594,755
Investments in associates	4.5 and 10	279,071,412	338,707,903	213,618,532	213,618,532
Investments in subsidiaries	4.5 and 11	-	-	154,903,416	154,903,416
Investments in related companies	4.5 and 12	65,219,380	66,951,062	61,635,380	63,271,062
Investments in other companies	4.5 and 13	5,000,000	5,000,000	5,000,000	5,000,000
Investments in convertible debentures	4.5 and 14	-	19,456,000	-	19,456,000
Long-term loans to other company	15	16,142,400	16,257,300	16,142,400	16,257,300
Investments property	4.6 and 16	91,441,371	95,426,061	91,321,371	95,306,061
Property, plant and equipment	4.7 and 17	1,570,763,417	1,562,864,227	998,246,620	1,086,955,407
Leasehold right	4.8 and 18	527,649	1,269,853	-	-
Intangible assets	4.9 and 19	34,695,938	29,114,764	33,265,721	26,975,225
Other non-current assets		34,710,409	11,244,476	10,783,018	8,685,060
Total Non-Current Assets		3,096,320,058	3,288,886,401	2,583,664,540	2,833,022,818
TOTAL ASSETS		4,876,869,090	5,054,326,982	4,032,221,327	4,159,416,138

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Notes	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	20	138,742,726	440,426,146	60,000,000	314,500,000
Trade accounts payable		327,636,199	307,942,430	331,415,762	303,597,146
Other accounts payable					
Accrued expenses		36,551,025	32,552,704	29,222,027	27,895,674
Accrued bonus		104,334,505	87,348,001	79,854,765	69,476,632
Asset payable		9,479,354	4,855,217	7,831,462	2,321,501
Others		51,043,709	57,361,180	29,733,114	38,347,724
Total other accounts payable		201,408,593	182,117,102	146,641,368	138,041,531
Accrued corporate income taxes		45,355,726	22,335,642	41,853,852	19,780,302
Accrued interest expenses		158,471	222,355	17,702	76,205
Other current liabilities		10,622,045	3,426,833	8,558,613	1,642,735
Total Current Liabilities		723,923,760	956,470,508	588,487,297	777,637,919
Non-Current Liabilities					
Provision for long-term					
employee benefits	4.11 and 21	185,844,481	161,249,740	154,523,809	135,332,202
Deferred tax liabilities	4.12 and 22	81,981,125	112,083,121	87,160,766	115,200,694
Other non-current liabilities		359,471	287,602	251,471	179,602
Total Non-Current Liabilities		268,185,077	273,620,463	241,936,046	250,712,498
TOTAL LIABILITIES		992,108,837	1,230,090,971	830,423,343	1,028,350,417

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital					
200,000,000 common stocks of					
		Baht 1 par value			
		200,000,000	200,000,000	200,000,000	200,000,000
Issued and paid-up share capital					
149,930,828 common stocks at					
		Baht 1 each			
		149,930,828	149,930,828	149,930,828	149,930,828
Premium on common stocks					
		724,763,392	724,763,392	724,763,392	724,763,392
Retained earnings					
Appropriated					
Legal reserve					
	23	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated					
		2,152,068,388	1,984,586,064	1,788,680,470	1,590,906,089
Other components of the shareholders' equity					
		510,473,100	640,647,412	518,423,294	645,465,412
Total Shareholders' Equity of Parent Company					
		3,557,235,708	3,519,927,696	3,201,797,984	3,131,065,721
Non-controlling interests					
		327,524,545	304,308,315	-	-
Total Shareholders' Equity					
		3,884,760,253	3,824,236,011	3,201,797,984	3,131,065,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		4,876,869,090	5,054,326,982	4,032,221,327	4,159,416,138

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Sales		4,812,937,357	4,949,629,817	3,826,232,796	4,063,842,449
Cost of sales		3,612,200,240	3,798,717,541	2,848,298,792	3,109,227,217
Gross profit		1,200,737,117	1,150,912,276	977,934,004	954,615,232
Other incomes					
Dividend income		34,407,937	34,195,274	147,114,198	176,639,546
Gain on disposal of investments		87,240,000	39,364,693	87,240,000	39,364,693
Gain on exchange rates		17,225,910	-	16,182,247	-
Reversal loss on diminution of investment in related companies		23,200,000	962,037	23,200,000	1,378,037
Reversal loss on capital decrease of investment in related company		12,000,000	-	12,000,000	-
Others		91,822,634	91,942,694	84,590,812	86,793,441
Total other incomes		265,896,481	166,464,698	370,327,257	304,175,717
Profit before expenses		1,466,633,598	1,317,376,974	1,348,261,261	1,258,790,949
Selling expenses		157,536,282	140,229,299	120,066,876	97,615,859
Administrative expenses		866,391,167	878,666,926	753,203,644	770,870,405
Loss on exchange rates		-	13,413,969	-	13,057,259
Loss on diminution of investment in related companies		129,552	-	33,552	-
Loss on dissolution of investment in related companies	12	31,310,832	-	31,310,832	-
Directors' remuneration		14,050,000	14,140,000	11,450,000	12,500,000
Finance costs		5,974,298	12,472,514	4,068,737	10,705,397
Total expenses		1,075,392,131	1,058,922,708	920,133,641	904,748,920
Share of profit from investments in associates	10	42,381,937	66,748,012	-	-
Profit before income tax		433,623,404	325,202,278	428,127,620	354,042,029
Income tax expenses	4.13 and 22	55,807,782	31,505,872	50,436,246	29,058,131
Profit for the years		377,815,622	293,696,406	377,691,374	324,983,898
Profit attributable to					
Equity holders of the parent		347,399,317	274,436,423	377,691,374	324,983,898
Non-controlling interests		30,416,305	19,259,983	-	-
		377,815,622	293,696,406	377,691,374	324,983,898
Earnings per share to equity holders of the parent					
Basic earnings per share	4.14	2.32	1.83	2.52	2.17
Issued and paid-up 149,930,828 common stocks					

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Profit for the years	377,815,622	293,696,406	377,691,374	324,983,898
Other comprehensive income (loss) :				
Components of other comprehensive income				
that will be reclassified to profit or loss :				
Translation of financial statement differences	(3,132,194)	(4,336,581)	-	-
Gain (loss) from the remeasuring of investments in available-for-sale securities	(71,802,648)	43,750,762	(71,802,648)	43,750,762
Components of income tax	14,360,530	(8,750,152)	14,360,530	(8,750,152)
Gain (loss) from the remeasuring of investments in available-for-sale securities-net of tax	(57,442,118)	35,000,610	(57,442,118)	35,000,610
Reversal on gain from the remeasuring of investments in available-for-sale securities from disposal	(87,000,000)	(11,970,000)	(87,000,000)	(11,970,000)
Components of income tax	17,400,000	2,394,000	17,400,000	2,394,000
Reversal on gain from the remeasuring of investments in available-for-sale securities-net of tax	(69,600,000)	(9,576,000)	(69,600,000)	(9,576,000)
Total gain (loss) from the remeasuring of investments in available-for-sale securities-net of tax	(127,042,118)	25,424,610	(127,042,118)	25,424,610
Components of other comprehensive income that will not be reclassified to profit or loss :				
Actuarial gain from employee benefit plan of associate-net of tax	-	607,973	-	-
Total other comprehensive income (loss) for the years	(130,174,312)	21,696,002	(127,042,118)	25,424,610
Total comprehensive income for the years	247,641,310	315,392,408	250,649,256	350,408,508
Total comprehensive income attributable to				
Equity holders of the parent	217,225,005	296,132,425	250,649,256	350,408,508
Non-controlling interests	30,416,305	19,259,983	-	-
	247,641,310	315,392,408	250,649,256	350,408,508

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

CONSOLIDATED

BAHT

Notes	Shareholders' equity of the parent									
	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of the shareholders' equity			Total equity holders of the parent	Non-controlling interests	Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	Other comprehensive income (loss)		Total other components of the shareholders' equity			
					Translation of financial statement differences	Investments in available-for-sale securities				
Year 2017										
Beginning balances, January 1, 2017	149,930,828	724,763,392	20,000,000	1,889,458,661	(481,419)	620,040,802	619,559,383	3,403,712,264	288,648,381	3,692,360,645
Comprehensive income for the year 2017 :-										
Total comprehensive income (loss) for the year				274,436,423	(4,336,581)	25,424,610	21,088,029	295,524,452	19,259,983	314,784,435
Adjustment of actuarial gain from employee benefit plan				607,973				607,973		607,973
Total comprehensive income (loss) for the year 2017				275,044,396	(4,336,581)	25,424,610	21,088,029	296,132,425	19,259,983	315,392,408
Non-controlling interests increase during the year									23	23
Dividend payment	24			(179,916,993)				(179,916,993)		(179,916,993)
Subsidiary's dividend paid to non-controlling interests									(3,600,072)	(3,600,072)
Ending balances, December 31, 2017	149,930,828	724,763,392	20,000,000	1,984,586,064	(4,818,000)	645,465,412	640,647,412	3,519,927,696	304,308,315	3,824,236,011
Year 2018										
Beginning balances, January 1, 2018	149,930,828	724,763,392	20,000,000	1,984,586,064	(4,818,000)	645,465,412	640,647,412	3,519,927,696	304,308,315	3,824,236,011
Comprehensive income (loss) for the year 2018				347,399,317	(3,132,194)	(127,042,118)	(130,174,312)	217,225,005	30,416,305	247,641,310
Dividend payment	24			(179,916,993)				(179,916,993)		(179,916,993)
Subsidiary's dividend paid to non-controlling interests									(7,200,075)	(7,200,075)
Ending balances, December 31, 2018	149,930,828	724,763,392	20,000,000	2,152,068,388	(7,950,194)	518,423,294	510,473,100	3,557,235,708	327,524,545	3,884,760,253

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

THE SEPARATE FINANCIAL STATEMENTS

BAHT

	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of the shareholders' equity	Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income (loss) Investments in available-for-sale securities	
<u>Year 2017</u>							
Beginning balances, January 1, 2017		149,930,828	724,763,392	20,000,000	1,445,839,184	620,040,802	2,960,574,206
Comprehensive income for the year 2017					324,983,898	25,424,610	350,408,508
Dividend payment	24				(179,916,993)		(179,916,993)
Ending balances, December 31, 2017		<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>1,590,906,089</u>	<u>645,465,412</u>	<u>3,131,065,721</u>
<u>Year 2018</u>							
Beginning balances, January 1, 2018		149,930,828	724,763,392	20,000,000	1,590,906,089	645,465,412	3,131,065,721
Comprehensive income (loss) for the year 2018					377,691,374	(127,042,118)	250,649,256
Dividend payment	24				(179,916,993)		(179,916,993)
Ending balances, December 31, 2018		<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>1,788,680,470</u>	<u>518,423,294</u>	<u>3,201,797,984</u>

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	433,623,404	325,202,278	428,127,620	354,042,029
Adjustment to reconcile profit before income tax expenses to cash provided from (used in) operation :				
Bad debts - trade accounts receivable	11,901	264,684	-	-
Decrease in doubtful debts - trade accounts receivable	(365,331)	(257,880)	(490,301)	(100,000)
Decrease in provision for diminution in inventories	(385,457)	(35,952,392)	(2,783,573)	(36,925,908)
Loss on destruction of inventories	24,870,003	65,853,431	24,827,991	64,325,908
Depreciation	218,954,655	251,512,160	126,507,561	162,136,290
Amortization of intangible assets	6,336,235	6,698,343	5,554,014	5,440,966
Amortization of leasehold right	742,204	760,308	-	-
Finance costs	5,974,298	12,472,514	4,068,737	10,705,397
Amortization of unearned rental	(15,047)	(15,047)	(15,047)	(15,047)
Loss on diminution of investments in related companies	129,552	-	33,552	-
(Reversal) loss on diminution of investments in related companies	(23,200,000)	(962,037)	(23,200,000)	(1,378,037)
(Reversal) loss on capital decrease of investments in related companies	(12,000,000)	-	(12,000,000)	-
Gain on disposal of investments in available-for-sale securities	(87,240,000)	(39,364,693)	(87,240,000)	(39,364,693)
Loss on dissolution of investment in related companies	31,310,832	-	31,310,832	-
Dividend income from investments in associates	-	-	(101,999,605)	(135,899,524)
Dividend income from investments in subsidiaries	-	-	(10,706,656)	(6,544,748)
Dividend income from investments in available-for-sale securities and other companies	(32,105,869)	(34,195,274)	(32,105,869)	(34,195,274)
Dividend income from investments in related companies	(2,302,068)	-	(2,302,068)	-
Gain on disposal investments property	-	(1,091,505)	-	(1,091,505)
(Gain) loss on disposal and unused equipment	(1,449,244)	(3,974,148)	(273,575)	(3,656,694)
Amortization of assets under construction and installation to expenses	898,560	63,977	-	63,977
Unrealized (gain) loss on forward exchange contracts	638,872	(965,870)	645,710	(970,159)
Unrealized loss on exchange rates	1,983,244	2,024,881	1,976,097	2,010,342
Interest income	(1,205,701)	(475,133)	(1,158,238)	(341,426)
Write-off of prepaid income tax	50,481	70,518	-	-
Long-term employee benefits expenses	30,924,794	28,236,761	24,947,102	22,940,312
Share of profit from investments in associates	(42,381,937)	(66,748,012)	-	-
Profit from operation before changes in operating assets and liabilities items	553,798,381	509,157,864	373,724,284	361,182,206

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade accounts receivable	(23,715,691)	134,809,923	(35,830,220)	191,216,961
Other receivables	8,610,024	(32,445,620)	(14,608,929)	12,914,228
Inventories	(37,740,028)	75,714,545	(84,140,459)	72,398,565
Other current assets	(4,396,676)	(37,457,766)	(8,487,410)	(36,550,487)
Other non-current assets	(2,393,197)	(274,949)	(2,097,958)	(281,800)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	20,519,182	(38,410,257)	28,622,890	(58,283,248)
Other accounts payable	10,436,021	(72,636,707)	1,284,452	(80,748,833)
Other current liabilities	7,195,212	(476,030)	6,915,878	(370,770)
Provision for long-term employee benefits	(6,330,053)	(15,980,408)	(5,755,495)	(13,059,743)
Other non-current liabilities	86,916	(3,934)	86,916	(3,934)
Cash provided from operation	526,070,091	521,996,661	259,713,949	448,413,145
Interest expenses paid	(6,038,182)	(12,706,343)	(4,127,240)	(10,955,350)
Proceeds from refund income tax	1,656,990	-	-	-
Income tax expenses paid	(31,161,928)	(38,864,142)	(24,642,094)	(35,384,775)
Translation of financial statement differences	(3,080,607)	(3,889,014)	-	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	487,446,364	466,537,162	230,944,615	402,073,020
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in certificate of deposits	(1,500,000)	13,500,000	-	15,000,000
Increase in short-term loans to subsidiary	-	-	-	(4,000,000)
Interest income	305,626	505,747	277,053	370,820
Purchase of investments in convertible debentures	-	(19,456,000)	-	(19,456,000)
Purchase of investments in related companies	(30)	(4,200,000)	(30)	(4,200,000)
Purchase of property, plant and equipment	(209,954,586)	(157,749,478)	(26,657,701)	(60,102,493)
Purchase of intangible assets	(11,917,409)	(3,051,377)	(11,844,510)	(2,192,270)
Proceeds from disposal of investments in available-for-sale securities	91,740,000	59,644,693	91,740,000	59,644,693
Proceeds from capital decrease of investments in other companies	-	672,000	-	672,000
Proceeds from capital decrease of investments in related companies	1,602,160	-	1,602,160	-
Proceeds from dissolution of investments in related companies	3,889,168	-	3,889,168	-
Proceeds from return of investment from transferred convertible debentures to common stocks	25	-	25	-
Proceeds from disposal of investments property	-	3,953,873	-	3,953,873
Proceeds from disposal of equipment	1,660,324	5,324,525	436,316	4,997,879
Dividend income from investments in associates	101,999,605	135,899,524	101,999,605	135,899,524
Dividend income from investments in subsidiaries	-	-	10,706,656	6,544,748
Dividend income from investments in available-for-sale securities and other companies	32,105,869	34,195,274	32,105,869	34,195,274

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (3/3)

FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend income from investments in related companies	2,302,068	-	2,302,068	-
Payment for share subscription of associate	-	(2,813,125)	-	(2,813,125)
Payment for share subscription of subsidiary	-	-	-	(7,499,977)
Increase in long-term loans to other company	-	(17,540,000)	-	(17,540,000)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	12,232,820	48,885,656	206,556,679	143,474,946
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term borrowings				
from financial institutions	(301,683,420)	(410,446,875)	(254,500,000)	(414,227,033)
Proceeds from capital increase in non-controlling interests	-	23	-	-
Subsidiary's dividend paid to non-controlling interests	(7,200,075)	(3,600,072)	-	-
Dividend payment	(179,916,993)	(179,916,993)	(179,916,993)	(179,916,993)
NET CASH USED IN FINANCING ACTIVITIES	(488,800,488)	(593,963,917)	(434,416,993)	(594,144,026)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,878,696	(78,541,099)	3,084,301	(48,596,060)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	42,135,808	120,676,907	5,290,681	53,886,741
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	53,014,504	42,135,808	8,374,982	5,290,681
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS :				
NON-CASH FLOWS ITEMS COMPRISE :				
Increase in equipment from asset payable	8,859,209	4,540,192	7,319,124	2,169,627
Gain (loss) from the remeasuring of investments in available-for-sale securities	(71,802,648)	43,750,762	(71,802,648)	43,750,762
Reversal on gain from the remeasuring of investments in available-for-sale securities	(87,000,000)	(11,970,000)	(87,000,000)	(11,970,000)
Decrease investments in associates due to translation of financial statements differences on exchange rate	(18,823)	(447,567)	-	-
Increase in accrued corporate income taxes due to translation of financial statements differences on exchange rate	(32,764)	-	-	-
Transferred other current assets to equipment	(5,165,000)	-	-	-
Transferred other current assets to other non-current assets	(140)	(1,702,950)	-	-
Transferred other receivables to other non-current assets	(22,780,067)	-	-	-
Transferred investments in other companies to investments in related companies :-				
- Cost	-	(11,739,970)	-	(11,739,970)
- Provision for diminution in investments	-	2,747,184	-	2,747,184
Transferred convertible debentures to common stocks	(19,455,975)	-	(19,455,975)	-
Effect of adjustment of actuarial estimates from employee benefit plan of associate :-				
- Increase in investments in associate	-	607,973	-	-
- Increase in retained earnings	-	607,973	-	-

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

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	
- Head office/factory	600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
- Branch	2 Naradhiwas Rajanakarindra Road, Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand.
- Branch	662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm, Amphur Sriracha, Chonburi, Thailand.
- Branch	19/43 Moo 7 Bangna-Trad Km. 17, Tambol Bangchlong, Amphur Bangplee, Samut Prakan , Thailand.
- Branch	679 Moo 11, Tambol Nhongkharm, Amphur Sriracha, Chonburi, Thailand.
- Branch	789/159 Moo 1, Sainongkho-Laemchabang Rd., Tambol Nongkham, Amphur Sriracha, Chonburi, Thailand.
1.3 Type of business	(1) Manufacturing all type of cosmetics. (2) Investing in its associates and subsidiaries which carry on business according to Notes 10 and 11 to the financial statements, respectively.

2. BASIS FOR FINANCIAL STATEMENT PRESENTATION

2.1 The consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), and the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of subsidiaries, S & J International (UK) Limited

are prepared in accordance with the accounting standards of England and the financial statements of Guangzhou S & J Cosmetics Company Limited, the financial statements of 4WD Vision (HK) Limited, are prepared in accordance with the accounting standards of the People Republic of China. And the financial statements of associate, Atika Beauty Manufacturing Sdn. Bhd. are prepared in accordance with the accounting standards of Malaysia. In preparation of the consolidated financial statements, they are adjusted to be under the same accounting policies as parent company.

2.2 These consolidated financial statements included the financial statements of S & J International Enterprises Public Company Limited with its subsidiaries and the equity in associates as follows:

SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	2018	2017	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	50.00	50.00	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
4WD Vision Co., Ltd.	99.99	99.99	Thailand
SAAS Co., Ltd.	99.99	99.99	Thailand
S & J International (UK) Limited	100.00	100.00	England
<u>SUBSIDIARIES HELD BY</u>			
<u>S&J INTERNATIONAL (UK) LIMITED</u>			
Guangzhou S & J Cosmetics Company Limited	100.00	100.00	China
4WD Vision (HK) Limited	100.00	100.00	China

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2018	2017	
Yamahatsu (Thailand) Co., Ltd.	30.00	30.00	Thailand
Operational Energy Group Limited	30.00	30.00	Thailand
Osoth Interlaboratories Co., Ltd.	33.19	33.19	Thailand
Atika Beauty Manufacturing Sdn. Bhd.	35.00	35.00	Malaysia

2.3 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated in the consolidation.

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

3. The accounting standards that became effective in the current accounting year are as follows:

Thai Accounting Standards (TAS)

1. TAS 1 (revised 2017)	Presentation of Financial Statements
2. TAS 2 (revised 2017)	Inventories
3. TAS 7 (revised 2017)	Statement of Cash Flows
4. TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10 (revised 2017)	Events After the Reporting Period
6. TAS 11 (revised 2017)	Construction Contracts
7. TAS 12 (revised 2017)	Income Taxes
8. TAS 16 (revised 2017)	Property, Plant and Equipment
9. TAS 17 (revised 2017)	Leases
10. TAS 18 (revised 2017)	Revenue
11. TAS 19 (revised 2017)	Employee Benefits
12. TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
13. TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
14. TAS 23 (revised 2017)	Borrowing Costs
15. TAS 24 (revised 2017)	Related Party Disclosures
16. TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
17. TAS 27 (revised 2017)	Separate Financial Statements
18. TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
19. TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
20. TAS 33 (revised 2017)	Earnings Per Share
21. TAS 34 (revised 2017)	Interim Financial Reporting
22. TAS 36 (revised 2017)	Impairment of Assets
23. TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2017)	Intangible Assets
25. TAS 40 (revised 2017)	Investment Property
26. TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standards (TFRS)

- | | |
|----------------------------|--|
| 27. TFRS 2 (revised 2017) | Share-based Payment |
| 28. TFRS 3 (revised 2017) | Business Combinations |
| 29. TFRS 4 (revised 2017) | Insurance Contracts |
| 30. TFRS 5 (revised 2017) | Non-current Assets Held for Sale and Discontinued Operations |
| 31. TFRS 6 (revised 2017) | Exploration for and Evaluation of Mineral Resources |
| 32. TFRS 8 (revised 2017) | Operating Segments |
| 33. TFRS 10 (revised 2017) | Consolidated Financial Statements |
| 34. TFRS 11 (revised 2017) | Joint Arrangements |
| 35. TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities |
| 36. TFRS 13 (revised 2017) | Fair Value Measurement |

Thai Accounting Standard Interpretations (TSIC)

- | | |
|----------------------------|--|
| 37. TSIC 10 (revised 2017) | Government Assistance - No Specific Relation to Operating Activities |
| 38. TSIC 15 (revised 2017) | Operating Leases - Incentives |
| 39. TSIC 25 (revised 2017) | Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders |
| 40. TSIC 27 (revised 2017) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| 41. TSIC 29 (revised 2017) | Service Concession Arrangements: Disclosure |
| 42. TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| 43. TSIC 32 (revised 2017) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 44. TFRIC 1 (revised 2017) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 45. TFRIC 4 (revised 2017) | Determining Whether an Arrangement Contains a Lease |
| 46. TFRIC 5 (revised 2017) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 47. TFRIC 7 (revised 2017) | Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies |
| 48. TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment |
| 49. TFRIC 12 (revised 2017) | Service Concession Arrangements |
| 50. TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| 51. TFRIC 14 (revised 2017) | TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |

- | | |
|-----------------------------|---|
| 52. TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| 53. TFRIC 17 (revised 2017) | Distributions of Non-cash Assets to Owners |
| 54. TFRIC 18 (revised 2017) | Transfers of Assets from Customers |
| 55. TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine |
| 56. TFRIC 21 (revised 2017) | Levies |

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

The Federation of Accounting Professions has issued the new accounting standards but not yet effective.

Effective for fiscal years beginning on or after January 1, 2019 are as follows:

Thai Accounting Standards (TAS)

- | | |
|---------------------------|--|
| 1. TAS 1 (revised 2018) | Presentation of Financial Statements |
| 2. TAS 2 (revised 2018) | Inventories |
| 3. TAS 7 (revised 2018) | Statement of Cash Flows |
| 4. TAS 8 (revised 2018) | Accounting Policies, Changes in Accounting Estimates and Errors |
| 5. TAS 10 (revised 2018) | Events After the Reporting Period |
| 6. TAS 12 (revised 2018) | Income Taxes |
| 7. TAS 16 (revised 2018) | Property, Plant and Equipment |
| 8. TAS 17 (revised 2018) | Leases |
| 9. TAS 19 (revised 2018) | Employee Benefits |
| 10. TAS 20 (revised 2018) | Accounting for Government Grants and Disclosure of Government Assistance |
| 11. TAS 21 (revised 2018) | The Effects of Changes in Foreign Exchange Rates |
| 12. TAS 23 (revised 2018) | Borrowing Costs |
| 13. TAS 24 (revised 2018) | Related Party Disclosures |
| 14. TAS 26 (revised 2018) | Accounting and Reporting by Retirement Benefit Plans |
| 15. TAS 27 (revised 2018) | Separate Financial Statements |
| 16. TAS 28 (revised 2018) | Investments in Associates and Joint Ventures |
| 17. TAS 29 (revised 2018) | Financial Reporting in Hyperinflationary Economies |
| 18. TAS 33 (revised 2018) | Earnings Per Share |
| 19. TAS 34 (revised 2018) | Interim Financial Reporting |
| 20. TAS 36 (revised 2018) | Impairment of Assets |
| 21. TAS 37 (revised 2018) | Provisions, Contingent Liabilities and Contingent Assets |

- | | |
|---------------------------|---------------------|
| 22. TAS 38 (revised 2018) | Intangible Assets |
| 23. TAS 40 (revised 2018) | Investment Property |
| 24. TAS 41 (revised 2018) | Agriculture |

Thai Financial Reporting Standards (TFRS)

- | | |
|----------------------------|--|
| 25. TFRS 1 | First-time Adoption of Thai Financial Reporting Standards |
| 26. TFRS 2 (revised 2018) | Share-based Payment |
| 27. TFRS 3 (revised 2018) | Business Combinations |
| 28. TFRS 4 (revised 2018) | Insurance Contracts |
| 29. TFRS 5 (revised 2018) | Non-current Assets Held for Sale and Discontinued Operations |
| 30. TFRS 6 (revised 2018) | Exploration for and Evaluation of Mineral Resources |
| 31. TFRS 8 (revised 2018) | Operating Segments |
| 32. TFRS 10 (revised 2018) | Consolidated Financial Statements |
| 33. TFRS 11 (revised 2018) | Joint Arrangements |
| 34. TFRS 12 (revised 2018) | Disclosure of Interests in Other Entities |
| 35. TFRS 13 (revised 2018) | Fair Value Measurement |
| 36. TFRS 15 | Revenue from Contracts with Customers |

Thai Accounting Standard Interpretations (TSIC)

- | | |
|----------------------------|--|
| 37. TSIC 10 (revised 2018) | Government Assistance - No Specific Relation to Operating Activities |
| 38. TSIC 15 (revised 2018) | Operating Leases - Incentives |
| 39. TSIC 25 (revised 2018) | Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders |
| 40. TSIC 27 (revised 2018) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| 41. TSIC 29 (revised 2018) | Service Concession Arrangements: Disclosure |
| 42. TSIC 32 (revised 2018) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 43. TFRIC 1 (revised 2018) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 44. TFRIC 4 (revised 2018) | Determining Whether an Arrangement Contains a Lease |
| 45. TFRIC 5 (revised 2018) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 46. TFRIC 7 (revised 2018) | Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies |
| 47. TFRIC 10 (revised 2018) | Interim Financial Reporting and Impairment |

- | | |
|-----------------------------|--|
| 48. TFRIC 12 (revised 2018) | Service Concession Arrangements |
| 49. TFRIC 14 (revised 2018) | TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 50. TFRIC 17 (revised 2018) | Distributions of Non-cash Assets to Owners |
| 51. TFRIC 20 (revised 2018) | Stripping Costs in the Production Phase of a Surface Mine |
| 52. TFRIC 21 (revised 2018) | Levies |

Effective for fiscal years beginning on or after January 1, 2020 are as follows:

Thai Accounting Standards (TAS)

- | | |
|-----------|-------------------------------------|
| 1. TAS 32 | Financial Instruments: Presentation |
|-----------|-------------------------------------|

Thai Financial Reporting Standards (TFRS)

- | | |
|-----------|------------------------------------|
| 2. TFRS 7 | Financial Instruments: Disclosures |
| 3. TFRS 9 | Financial Instruments |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-------------|---|
| 4. TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| 5. TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

Management of group companies is evaluating the impact of such accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations on the financial statements in the year when they are adopted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

The Company recognized revenues and expenses from the following bases :

- | | |
|-------------------------------|--|
| Sales | - Recognized as revenues whenever goods are delivered, the significant risks and rewards have been transferred to the buyer. |
| Sales of goods on consignment | - Recognized as revenues whenever the consignment goods are sold to the third parties. |
| Dividend income | - Recognized when the shareholder's right to receive is established. |
| Rental income | - Recognized over the lease period. |
| Other income | - Recognized on the accrual basis. |
| Interest income | - Recognized on the accrual basis based on effective interest rate. |
| Expenses | - Recognized on the accrual basis. |

4.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months from the date of acquisition with no obligation.

4.3 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts for the estimated losses that may be incurred from the uncollected accounts receivable based on past experience in debt collection.

4.4 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

The Company set up provision for diminution in value of obsolete, deteriorated inventories which are expected to be unsalable by considering the current condition of inventories.

4.5 Investments

Investments in available-for-sale securities are investments in listed securities stated at fair value with the objective for long-term investments. The Company recognized its revaluation in available-for-sale securities as separate item in other comprehensive income, under the caption "gain (loss) from the remeasuring of investment available-for-sale securities".

The Company calculated cost of the disposed securities during the years by the weighted average method.

Associates mean those companies in which the parent in the group companies has shareholding from 20% to 50% of the total voting rights or has significant influence over the associates, that is the parent in the group companies has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associates are stated by equity method for consolidation and cost method for the separate financial statements.

Subsidiaries mean those companies in which the parent in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries in the separate financial statements are stated at cost after deduction of provision for diminution in investment.

Investments in related companies mean those companies in which the group companies have its shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies are stated at cost after deduction of provision for diminution in investment.

Investments in other companies mean those companies in which the group companies have shareholding but have no power to govern or participate in setting up any policy. Investments in other companies are stated at cost after deduction of provision for diminution in investment.

Investments in convertible debentures are stated at cost after deduction of provision for diminution in investments, if any.

4.6 Investments property

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

Investments property include property and building at acquisition cost less accumulated depreciation. Depreciation of building is calculated by the straight-line method based on the estimated useful life of assets within 20 years.

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost. Plant and equipment are stated at acquisition cost less accumulated depreciation and provision on impairment of assets.

Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

	<u>Years</u>
Building and improvement	20 - 25
Machineries	5 - 10
Office furniture, fixtures and equipment	5 - 10
Vehicles	5 - 8

Interest expenses incurred from loans obtained for building construction project are capitalized until such building is ready for use as intended.

Expenditures for additions, renewals or betterments which affected the significant increment in value of assets will be capitalized, considered as capital expenditures. Regarding repair and maintenance costs are recognized as expenses during the accounting periods when incurred.

4.8 Leasehold right

Leasehold right is stated at acquisition cost less amortization by using the straight-line method over the leases period.

4.9 Intangible assets

Computer softwares are stated at acquisition cost less amortization by using the straight-line method based on the estimated useful life of 10 years.

4.10 Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of income over the lease term.

4.11 Employee benefits

Short-term employee benefits

The Company and its subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company and its subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of income in the incurred period.

Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at

the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

The Company provides other long-term benefits to the eligible employees in return for their service in the current and prior periods before one's retirement. In the financial statements, the obligations represent the present value of the other long-term employee benefits. The obligations are calculated on the same basis as the defined benefit plan.

4.12 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or additional tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

As each statements of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

4.13 Income tax expenses

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in statement of income unless part of transaction recorded in shareholders' equity recorded directly to equity.

4.14 Earnings per share

Basic earnings per share is calculated by dividing profit for the year with the number of common stocks held by outsiders by the weighted average method.

4.15 Foreign currency transactions

Foreign currency transactions incurred during the years are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the statements of financial position date are converted to Baht at the rate of exchange in effect on that date.

Gains or losses on exchange rate fluctuation are credited or charged to operations during the years.

For preparation of the consolidated financial statements, the financial statements of the subsidiary denominated in foreign currencies are converted to Baht based on the following exchange rates:

- Assets and liabilities were translated by the average exchange rates at the end of the year.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rates for the year.

The translation of financial statement differences in foreign currencies was shown under other comprehensive income.

4.16 Forward exchange contracts

Foreign currency transactions which are covered by forward exchange contract, the Company will record at fair value. Gains or losses on exchange rates are credited or charged to operations of each year.

4.17 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgments on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in value of inventories, provision for diminution in investment, allowance for depreciation of investments property, allowance for depreciation of plant and equipment, allowance for amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Cash	649,841	657,394	450,000	450,000
Cash at Bank	47,227,127	37,302,434	7,617,019	4,220,812
Cheque on hand	5,137,536	4,175,980	307,963	619,869
Cash and cash equivalents	53,014,504	42,135,808	8,374,982	5,290,681

6. TRADE ACCOUNTS RECEIVABLE

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Trade accounts receivable of related parties</u>				
Trade notes receivable	1,706,045	2,213,283	1,706,045	2,213,283
Trade accounts receivable				
Current	177,461,656	220,175,121	164,125,794	195,028,503
Overdue within 3 months	17,915,581	26,798,927	2,360,531	12,287,495
Overdue between 3 to 6 months	449,339	44,462	83,495	14,432
Overdue between 6 to 12 months	683,377	210,921	665,437	210,921
Overdue more than 12 months	702,563	387,782	691,981	184,731
Total	198,918,561	249,830,496	169,633,283	209,939,365
<u>Trade accounts receivable of other companies</u>				
Trade notes receivable	4,482,508	28,627,159	527,623	24,318,328
Trade accounts receivable				
Current	517,860,985	434,894,761	420,299,048	356,129,779
Overdue within 3 months	142,140,276	147,970,722	98,852,152	79,316,151
Overdue between 3 to 6 months	17,114,344	5,823,370	12,213,377	2,244,814
Overdue between 6 to 12 months	7,196,993	1,381,782	5,173,105	1,083,493
Overdue more than 12 months	15,164,912	13,343,995	12,684,143	13,189,791
Total	703,960,018	632,041,789	549,749,448	476,282,356
Less Allowance for doubtful accounts	(12,274,111)	(12,639,442)	(11,994,936)	(12,485,237)
Trade accounts receivable of other companies - net	691,685,907	619,402,347	537,754,512	463,797,119
Trade accounts receivable - net	890,604,468	869,232,843	707,387,795	673,736,484

7. SHORT-TERM LOANS TO SUBSIDIARY

BAHT

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	2018	2017	2018	2017
	Wildlives (Thailand) Co., Ltd.			
Beginning balances	4,000,000	-		
Increase during the year	-	4,000,000		
Ending balances	4,000,000	4,000,000	3.00	3.00

Short-term loans to subsidiary are unsecured loans.

8. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Finished goods	242,964,671	207,217,629	200,228,662	169,338,891
Goods in process	77,154,641	117,270,035	66,380,745	66,008,793
Raw materials	178,797,967	186,440,267	137,422,965	135,383,652
Materials and goods in process in transit	29,904,847	30,324,321	28,548,713	28,386,510
Packagings	186,692,454	160,054,857	187,223,443	160,036,768
Consumed supplies	1,314,239	2,651,685	1,314,239	2,651,685
Total	716,828,819	703,958,794	621,118,767	561,806,299
<u>Less</u> Allowance for diminution in inventories	(18,780,324)	(19,165,781)	(11,368,655)	(14,152,228)
Inventories - net	698,048,495	684,793,013	609,750,112	547,654,071

9. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Investments in available-for-sale securities are listed securities on the stock exchange.

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends	
	2018	2017	2018	2017	2018	2017
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124,000	124,000	1,000	1,500
2. Far East Fame Line DDB Plc.	0.01	0.01	40,000	40,000	6,000	4,200
3. I.C.C. International Plc.	0.35	0.35	26,704,590	26,704,590	1,130,239	1,181,614
4. President Bakery Plc.	0.67	1.00	9,000,000	13,500,000	6,930,000	7,290,000
5. Sahacogen (Chonburi) Plc.	14.90	14.90	235,104,546	235,104,546	21,338,394	19,915,834
6. Saha Pathana Inter-Holding Plc.	0.32	0.28	47,911,012	28,455,037	1,138,786	1,081,389
7. Thai Wacoal Plc.	0.08	0.08	5,037,947	5,037,947	150,000	130,000
Total cost			323,922,095	308,966,120	30,694,419	29,604,537
<u>Add</u> Gain from the remeasuring of investments in available-for-sale securities			654,509,801	811,394,279		
Investments in available-for-sale securities - related companies - fair value			978,431,896	1,120,360,399		
Other Companies						
1. Nation Multimedia Group Plc.			21,796,170	21,796,170	-	-
2. Bangkok Bank Plc.			5,000,700	5,000,700	411,450	411,450
Total cost			26,796,870	26,796,870	411,450	411,450
<u>(Less)</u> loss from the remeasuring of investments in available-for-sale securities			(6,480,684)	(4,562,514)		
Investments in available-for-sale securities - other companies - fair value			20,316,186	22,234,356		
Investments in available-for-sale securities - fair value			998,748,082	1,142,594,755	31,105,869	30,015,987

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2018	2017
1. Boutique New City Plc.	Garment	Co-shareholders	120,000,000	120,000,000
2. Far East Fame Line DDB Plc.	Advertising and agency	Shareholders / co-directors	77,499,500	75,000,000
3. I.C.C. International Plc.	Commerce	Shareholders / co-directors	290,633,730	290,633,730
4. President Bakery Plc.	Food	Co-shareholders	450,000,000	450,000,000
5. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Shareholders / co-directors	955,000,000	955,000,000
6. Saha Pathana Inter-Holding Plc.	Investment	Shareholders / co-directors	571,515,007	494,034,300
7. Thai Wacoal Plc.	Finished garment - products, ladies' lingerie	Co-shareholders	120,000,000	120,000,000

In November 2018, the Company has sold investment in President Bakery Plc. with acquisition cost of investment amount Baht 4,500,000. The Company obtained proceed from disposal amount of Baht 91,740,000 and recognized gain on disposal of investment amount of Baht 87,240,000 in statements of income.

In June 2018, the Company exercised the conversion right convertible debentures of Saha Pathana Inter-Holding Public Company amount of Baht 19,455,975 to 432,355 common stocks. (See Note 14)

In December 2017, the Company has sold investment in Saha Pathana Inter Holding Plc. with acquisition cost of investment amount Baht 20,280,000. The Company obtained proceed from disposal amount of Baht 59,644,693 and recognized gain on disposal of investment amount of Baht 39,364,693 in statements of income.

10. INVESTMENTS IN ASSOCIATES

BAHT

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2018	2017	2018	2017	2018	2017
Yamahatsu (Thailand) Co., Ltd.	30	30	21,753,929	48,922,281	5,999,950	5,999,950
Operational Energy Group Limited	30	30	62,084,684	82,533,933	13,150,567	13,150,567
Atika Beauty Manufacturing Sdn. Bhd.	35	35	8,341,448	11,317,022	15,274,015	15,274,015
Total			92,180,061	142,773,236	34,424,532	34,424,532
Osoth Interlaboratories Co., Ltd.	33.19	33.19	186,891,351	195,934,667	201,994,000	201,994,000
<u>Less</u> Allowance for loss on capital decrease			-	-	(2,850,000)	(2,850,000)
Provision for diminution in investments in associates			-	-	(19,950,000)	(19,950,000)
Investments in Osoth Interlaboratories Co., Ltd. - net			186,891,351	195,934,667	179,194,000	179,194,000
Investments in Associates - net			279,071,412	338,707,903	213,618,532	213,618,532

BAHT

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2018	2017	2018	2017
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000,000	20,000,000	38,999,675	44,999,625
Operational Energy Group Limited	Servicing to operate the power plant	30,000,000	30,000,000	62,999,930	90,899,899
Osoth Interlaboratories Co., Ltd.	Medicine	600,000,000	600,000,000	-	-
Atika Beauty Manufacturing Sdn. Bhd.	Manufacturing and distribute cosmetic products	42,600,883 (MYR 5,000,000)	42,600,883 (MYR 5,000,000)	-	-
Total				101,999,605	135,899,524

In June 2017, the Company paid for shares subscription to Atika Beauty Manufacturing Sdn. Bhd., worth amount Baht 2,813,125 (As at amount Malaysian Ringgit 350,000), from called for shares subscription of common stocks that are not fully paid in the amount of 1,000,000 shares at Malaysian Ringgit 1 each, which the said associate has fully paid - up share capital amount of 5,000,000 shares at Malaysian Ringgit 1 each, existing paid - up share capital amount of 4,000,000 shares at Malaysian Ringgit 1 each.

The financial statements of associates which are applied for recording the investments in associates by the equity method for the years ended December 31, 2018 and 2017, based on the financial information audited by other certified public accountants.

The share of profit (loss) from investments for using the equity method which are recorded in the consolidated statements of income for the years ended December 31, 2018 and 2017, as follows :

SHARE OF PROFIT(LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED	
	2018	2017
Yamahatsu (Thailand) Co., Ltd.	11,831,323	17,796,810
Operational Energy Group Limited	42,550,681	45,017,725
Osoth Interlaboratories Co., Ltd.	(9,043,316)	6,667,630
Atika Beauty Manufacturing Sdn. Bhd.	(2,956,751)	(2,734,153)
Total	42,381,937	66,748,012

Summarized financial information of associates

Financial information of the associates are summarized, as follow:

MILLION BAHT

Company's name	Total assets		Total liabilities		Total revenues		Profit (loss) for the years	
	2018	2017	2018	2017	2018	2017	2018	2017
Yamahatsu (Thailand) Co., Ltd.	345	439	273	276	915	1,088	39.44	59.32
Operational Energy Group Limited	343	422	136	146	624	642	141.84	150.06
Osoth Interlaboratories Co., Ltd.	631	625	143	108	418	437	(27.25)	20.09
Atika Beauty Manufacturing Sdn. Bhd.	33	34	10	3	16	2	(8.45)	(7.81)

11. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2018	2017	2018	2017
E F Co., Ltd.	99.99	99.99	4,005,696	4,005,696
Top Trend Manufacturing Co., Ltd.	50.00	50.00	124,824,970	124,824,970
Wildlives (Thailand) Co., Ltd.	99.99	99.99	999,930	999,930
4WD Vision Co., Ltd.	99.99	99.99	9,999,970	9,999,970
SAAS Co., Ltd.	99.99	99.99	9,999,850	9,999,850
S&J International (UK) Limited	100.00	100.00	5,073,000	5,073,000
			(GBP100,000)	(GBP100,000)
Total Investments in Subsidiaries			154,903,416	154,903,416

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2018	2017	2018	2017
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>					
E F Co., Ltd.	Consumer products	4,000,000	4,000,000	479,928	479,928
Top Trend Manufacturing Co., Ltd.	Plastic containers	120,000,000	120,000,000	7,200,000	3,600,000
Wildlives (Thailand) Co., Ltd.	Consumer products	1,000,000	1,000,000	-	-
4WD Vision Co., Ltd.	Import and export, buying and selling as trading such as chemicals, packaging products and cosmetic products	10,000,000	10,000,000	500,000	-
SAAS Co., Ltd.	Research and development of cosmetic formulations	10,000,000	10,000,000	-	-
S&J International (UK) Limited	Distributing cosmetic products, gift set and marketing service	5,073,000	5,073,000	2,526,728	2,464,820
<u>SUBSIDIARIES HELD BY S&J International (UK) Limited</u>					
Guangzhou S&J Cosmetics Company Limited	Distributing materials and packaging	4,711,857	4,711,857	-	-
4WD Vision (HK) Limited	Distributing materials and packaging	5,372,068	5,372,068	-	-
Total				10,706,656	6,544,748

TRANSACTIONS OF SUBSIDIARIES

SUBSIDIARIES DIRECTLY HELD BY THE COMPANY

4WD Vision Company Limited

In January 2017, 4WD Vision Company Limited, a subsidiary of the Company, called for shares subscription of common stocks that are not fully paid, which the said subsidiary has an authorized share capital of Baht 10 million (divided 1 million shares at Baht 10 each) existing paid-up shares of Baht 2.50 each and called for additional shares subscription of Baht 7.50 each the amount of Baht 7.50 million. The Company paid for the additional shares subscription amount of Baht 7,499,977.

S & J International (UK) Limited and Subsidiaries held by S & J International (UK) Limited

The financial statements of subsidiaries in the foreign countries were audited by other certified public accountants, and were used to prepare consolidated financial statements as at December 31, 2018 and 2017, by having financial information of the subsidiaries in the foreign countries are summarized, as follow:

MILLION BAHT

Company's name	Total assets		Total revenues		Profit (loss) for the years	
	2018	2017	2018	2017	2018	2017
S&J International (UK) Limited	130.30	153.48	269.60	277.24	0.31	2.53
<u>Subsidiaries held by</u>						
<u>S & J International (UK) Limited</u>						
Guangzhou S&J Cosmetics Company Limited	4.03	4.54	5.68	6.27	(0.35)	1.11
4WD Vision (HK) Limited	16.78	14.79	59.18	66.40	4.55	3.72

12. INVESTMENTS IN RELATED COMPANIES

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends	
	2018	2017	2018	2017	2018	2017
1. General Glass Co., Ltd.	-	16.00	-	* 35,200,000	-	-
2. Thai Lotte Co., Ltd.	0.27	0.27	* 8,000,000	* 8,000,000	-	-
3. H & B Kabinburi Co., Ltd.	9.00	9.00	1,350,000	1,350,000	67,500	67,500
4. Thai Cubic Technology Co., Ltd.	5.00	5.00	2,000,000	2,000,000	200,000	200,000
5. Train Time Test Co., Ltd.	14.00	14.00	175,000	175,000	-	-
6. B.K.C. International Marketing Co., Ltd.	19.00	19.00	949,995	949,995	-	-
7. United Utility Co., Ltd.	5.71	5.71	20,598,600	20,598,600	-	1,000,000
8. Eastern Rubber Co., Ltd.	1.50	1.50	* 450,000	* 450,000	-	-
9. Advantage Footwear Co., Ltd.	0.38	0.38	1,387,500	1,387,500	32,606	34,687
10. Treasure Hill Co., Ltd.	2.00	2.00	* 4,000,000	* 4,000,000	-	-
11. Tipvarin Wattana Co., Ltd.	7.50	7.50	1,233,000	1,233,000	493,200	369,900
12. T-Way Co., Ltd.	12.00	12.00	* 19,207,500	* 19,207,500	-	-
13. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,277,670	3,277,670	-	110,000
14. E. P. F. Co., Ltd.	18.00	18.00	702,000	702,000	959,400	1,134,000
15. Pan Land Co., Ltd.	1.00	1.00	* 3,000,000	* 3,000,000	-	-
16. American Food Co., Ltd.	3.00	3.00	4,200,000	4,200,000	-	-
17. Sahapat Properties Co., Ltd.	2.50	2.50	500,000	500,000	40,000	20,000
18. Thanara Co., Ltd.	0.83	0.83	750,000	750,000	-	-
19. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200,000	1,200,000	30,000	43,200
20. Saha Sehwa Co., Ltd.	3.48	3.48	3,587,240	* 5,049,970	179,362	-
21. Sriracha Aviation Co., Ltd.	3.64	3.64	2,000,000	2,000,000	300,000	200,000
22. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	1,428,600	1,568,000	-	-
Total cost			79,997,105	116,799,235	2,302,068	3,179,287
<u>Less</u> Allowance for loss on capital decrease in General Glass Co., Ltd.			-	(12,000,000)		
Allowance for loss on capital decrease in Advantage Footwear Co.,Ltd.			(1,040,625)	(1,040,625)		
Provision for diminution in investments in related companies			* (17,321,100)	* (40,487,548)		
Total Investments in Related Companies - net (Separate financial statements)			61,635,380	63,271,062		
SUBSIDIARY INVESTED IN						
23. Treasure Hill Co., Ltd.	1.00	1.00	* 2,000,000	* 2,000,000		
24. T-Way Co., Ltd.	4.00	4.00	* 6,400,000	* 6,400,000		
Total cost			8,400,000	8,400,000		
<u>Less</u> Provision for diminution in investments in related companies			* (4,816,000)	* (4,720,000)		
Total Investments in Related Companies of the Subsidiary - net			3,584,000	3,680,000		
Total Investments in Related Companies - net (Consolidated)			65,219,380	66,951,062		

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2018	2017
1. General Glass Co., Ltd.	Glass bottles	Shareholders / co - directors	-	145,000,000
2. Thai Lotte Co., Ltd.	Chewing gum	Co - shareholders	3,013,000,000	3,013,000,000
3. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Co - directors	15,000,000	15,000,000
4. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co - directors	40,000,000	40,000,000
5. Train Time Test Co., Ltd.	Training and seminar	Co - directors	1,250,000	1,250,000
6. B.K.C. International Marketing Co., Ltd.	Consumer products	Co - directors	5,000,000	5,000,000
7. United Utility Co., Ltd.	Real estate	Shareholders / co - directors	350,000,000	350,000,000
8. Eastern Rubber Co., Ltd.	Rubber production	Shareholders / co - directors	30,000,000	30,000,000
9. Advantage Footwear Co., Ltd.	Footwear manufacturing	Shareholders / co - directors	91,750,000	91,750,000
10. Treasure Hill Co., Ltd.	Golf course	Shareholders / co - directors	200,000,000	200,000,000
11. Tipvarin Wattana Co., Ltd.	Mineral water	Co - directors	16,440,000	16,440,000
12. T-Way Co., Ltd.	Tourism, hotel, buying and selling as trading such products	Co - directors	160,000,000	160,000,000
13. K. Commercial & Construction Co., Ltd.	Construction	Shareholders / co - directors	50,000,000	50,000,000
14. E. P. F. Co., Ltd.	Consumer products	Shareholders / co - directors	3,900,000	3,900,000
15. Pan Land Co., Ltd.	Property leasing, buying, selling and renting property	Shareholders / co - directors	300,000,000	300,000,000
16. American Food Co., Ltd.	Manufacturing and distribute ice cream	Co - shareholders	140,000,000	140,000,000
17. Sahapat Properties Co., Ltd.	Investing in other companies, renting property	Co - shareholders	20,000,000	20,000,000
18. Thanara Co., Ltd.	Real estate	Co - shareholders	90,000,000	90,000,000
19. Thai Herbal Products Co., Ltd.	Manufacturing and distribute herbal medicine	Shareholders / co - directors	80,000,000	80,000,000
20. Saha Sehwa Co., Ltd.	Manufacturing plastic electronic parts	Co - shareholders	103,000,000	145,000,000
21. Sriracha Aviation Co., Ltd.	Retail fuel, lubricant and parts for flight school	Co - shareholders	55,000,000	55,000,000
22. Waseda Education (Thailand) Co., Ltd.	Japanese language and culture school	Co - shareholders	20,000,000	21,952,000

In January 2018, Saha Sehwa Company Limited has reduced its capital from 14,500,000 shares at Baht 10 par value to 10,300,000 shares at Baht 10 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 1,462,760.

In June 2018, Waseda Education (Thailand) Company Limited has reduced its capital from 219,520 shares at Baht 100 par value to 200,000 shares at Baht 100 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 139,400.

Investment in General Glass Company Limited with its cost amounted to Baht 35,200,000, has provided provision for diminution of investment in full amount. In September 2018, General Glass Company Limited has been liquidated. Therefore, the Company received cash from liquidation of Baht 3,889,168 (2,320,000 shares at Baht 1.68) and recorded loss on liquidation of the said company of Baht 31,310,832.

In November 2017, the Company has invested in American Food Co., Ltd., amount of 420,000 common stocks shares at Baht 10 each, worth amount Baht 4,200,000.

In July 2017, Waseda Education (Thailand) Company Limited has reduced its capital from 313,600 shares at Baht 100 par value to 219,520 shares at Baht 100 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 672,000.

13. INVESTMENTS IN OTHER COMPANIES

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends	
	2018	2017	2018	2017	2018	2017
1. Thai Yukilon Co., Ltd.	6.94	6.94	5,000,000	5,000,000	1,000,000	1,000,000

14. INVESTMENTS IN CONVERTIBLE DEBENTURES

In June 2017, the Company has invested in convertible debentures of Saha Pathana Inter-Holding Public Company Limited as according to the proportion of shareholding in such company.

The details are as follows:

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	AMOUNT OF UNIT (UNIT)		INVESTMENT VALUE (BAHT)	
	2018	2017	2018	2017
Related Company				
Convertible Debentures of Saha Pathana Inter-Holding Public Company Limited No. 1/2017 Due 2024 (At face value of Baht 1,000)	-	19,456	-	19,456,000
TYPE OF CONVERTIBLE DEBENTURES	The Convertible Debentures are issued in registered form, unsecured, unsubordinated, associated with the rights of conversion into the newly issued common stocks of the Company and with a debenture holders' representative.			
TENOR (YEARS)	7			
INTEREST RATE (%) PER ANNUM	0.70			
INTEREST PERIOD	Interest is receivable 4 times per annum on 29 every March, June, September and December of each year during the terms of the Convertible Debentures.			
CONVERSION PRICE (BAHT : COMMON STOCKS)	45 : 1			
CONVERSION RATIO (CONVERTIBLE DEBENTURES : COMMON STOCKS)	1 : 22.222222			
CONVERSION DATE	4 times per annum, in March, June, September and December of each year. The first conversion date is in June 2018.			

On June 29, 2018, the Company has exercised the conversion right convertible debentures of Saha Pathana Inter-Holding Public Company, conversion price 45 Baht per 1 common stock resulting in the increase amount of Baht 19,455,975 the investments in available for-sale securities. (432,355 shares) (See Note 9)

15. LONG-TERM LOANS TO OTHER COMPANY

BAHT

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
ELLA CORA, INC.		
Beginning balances (USD 500,000)	16,257,300	-
Increase during the year (USD 500,000)	-	17,540,000
<u>Less</u> Unrealized loss on exchange rates	(114,900)	(1,282,700)
Ending balances	16,142,400	16,257,300

In March 2017, the Company has entered into loan agreement with ELLA CORA, INC., which established under the Law of the United States of America, in the amount of USD 0.5 million as a secured convertible promissory note for a period of 3 years with interest rate equal to the greater of 3% p.a. or the Applicable Federal Rate and no repayment of principal or interest until the maturity date. The loan is secured by a security interest in all of the assets of the said company. After maturity date, the loan shall be extended not exceeding for a period of 2 years and the loan and its interest shall be converted to voting preferred stocks of the said borrower company under the conditions as specified in the promissory note.

16. INVESTMENTS PROPERTY

BAHT

CONSOLIDATED	Property	Building and improvement	Total
<u>Cost</u>			
January 1, 2017	50,498,609	94,367,402	144,866,011
Disposal	(1,872,000)	(1,267,448)	(3,139,448)
December 31, 2017	48,626,609	93,099,954	141,726,563
December 31, 2018	48,626,609	93,099,954	141,726,563
<u>Accumulated depreciation</u>			
January 1, 2017	-	42,579,870	42,579,870
Depreciation for the year 2017	-	3,997,712	3,997,712
Disposal	-	(277,080)	(277,080)
December 31, 2017	-	46,300,502	46,300,502
Depreciation for the year 2018	-	3,984,690	3,984,690
December 31, 2018	-	50,285,192	50,285,192
<u>Net book value</u>			
December 31, 2017	48,626,609	46,799,452	95,426,061
December 31, 2018	48,626,609	42,814,762	91,441,371
<u>Fair value</u>			
December 31, 2017	71,421,784	77,218,929	148,640,713
December 31, 2018	71,421,784	77,218,929	148,640,713

Assets fair value are appraised by independent appraiser by using cost approach and market comparative approach.

THE SEPARATE FINANCIAL STATEMENTS	Property	Building and improvement	Total
<u>Cost</u>			
January 1, 2017	50,378,609	94,367,402	144,746,011
Disposal	(1,872,000)	(1,267,448)	(3,139,448)
December 31, 2017	48,506,609	93,099,954	141,606,563
December 31, 2018	48,506,609	93,099,954	141,606,563
<u>Accumulated depreciation</u>			
January 1, 2017	-	42,579,870	42,579,870
Depreciation for the year 2017	-	3,997,712	3,997,712
Disposal	-	(277,080)	(277,080)
December 31, 2017	-	46,300,502	46,300,502
Depreciation for the year 2018	-	3,984,690	3,984,690
December 31, 2018	-	50,285,192	50,285,192
<u>Net book value</u>			
December 31, 2017	48,506,609	46,799,452	95,306,061
December 31, 2018	48,506,609	42,814,762	91,321,371
<u>Fair value</u>			
December 31, 2017	71,301,784	77,218,929	148,520,713
December 31, 2018	71,301,784	77,218,929	148,520,713

Assets fair value are appraised by independent appraiser by using cost approach and market comparative approach.

The Company, related company jointly invested in land with structures amount of Baht 30.36 million with the proportion of investment as follows:

	Amount (Million Baht)	Ratio of Ownership
Vitayasithi Co., Ltd.	14.93	76.57
S & J International Enterprises Plc.	9.95	51.05
K. Commercial & Construction Co., Ltd.	5.48	28.08
	30.36	155.70

17. PROPERTY, PLANT AND EQUIPMENT

BAHT

CONSOLIDATED	Land and improvement	Building and improvement	Furniture and fixtures	Office equipment	Machineries and equipment	Vehicles	Assets under construction and installation	Total
Cost								
January 1, 2017	303,000,034	1,153,904,149	367,853,356	150,310,414	2,336,975,358	52,975,976	93,832,710	4,458,851,997
Increase	-	10,675,377	3,893,369	12,323,675	102,815,957	-	32,581,292	162,289,670
Disposal/write off	(31,500)	(708,500)	(1,310,574)	(2,733,526)	(36,455,287)	(13,835,614)	-	(55,075,001)
Transferred to expenses	-	-	-	-	-	-	(63,977)	(63,977)
Transferred to/from	-	1,860,000	-	61,419	82,168,443	-	(84,089,862)	-
December 31, 2017	302,968,534	1,165,731,026	370,436,151	159,961,982	2,485,504,471	39,140,362	42,260,163	4,566,002,689
Increase	-	9,764,006	996,069	7,713,778	113,743,169	-	91,761,773	223,978,795
Disposal/write off	-	-	(1,214,446)	(2,940,399)	(22,268,698)	(1,464,137)	-	(27,887,680)
Transferred to expenses	-	-	-	-	-	-	(898,560)	(898,560)
Transferred to/from	-	1,175,490	2,502,300	195,300	76,874,519	-	(80,747,609)	-
December 31, 2018	302,968,534	1,176,670,522	372,720,074	164,930,661	2,653,853,461	37,676,225	52,375,767	4,761,195,244
Accumulated depreciation								
January 1, 2017	-	339,388,979	319,528,224	113,076,389	1,987,211,594	47,943,452	-	2,807,148,638
Depreciation for the year 2017	-	49,508,835	26,264,163	12,771,991	157,665,479	1,303,980	-	247,514,448
Disposal/write off	-	(485,911)	(1,296,572)	(2,733,402)	(35,379,429)	(13,829,310)	-	(53,724,624)
Transferred to/from	-	-	-	9,129	(9,129)	-	-	-
December 31, 2017	-	388,411,903	344,495,815	123,124,107	2,109,488,515	35,418,122	-	3,000,938,462
Depreciation for the year 2018	-	50,882,443	14,042,590	13,105,045	136,068,601	871,286	-	214,969,965
Disposal/write off	-	-	(1,212,263)	(2,939,173)	(22,061,032)	(1,464,132)	-	(27,676,600)
December 31, 2018	-	439,294,346	357,326,142	133,289,979	2,223,496,084	34,825,276	-	3,188,231,827
Provision for impairment of assets								
December 31, 2017	-	-	-	-	-	-	2,200,000	2,200,000
December 31, 2018	-	-	-	-	-	-	2,200,000	2,200,000
Net book value								
December 31, 2017	302,968,534	777,319,123	25,940,336	36,837,875	376,015,956	3,722,240	40,060,163	1,562,864,227
December 31, 2018	302,968,534	737,376,176	15,393,932	31,640,682	430,357,377	2,850,949	50,175,767	1,570,763,417

THE SEPARATE FINANCIAL STATEMENTS	Land and improvement	Building and improvement	Furniture and fixtures	Office equipment	Machineries and equipment	Vehicles	Assets under construction and installation	Total
<u>Cost</u>								
January 1, 2017	201,844,778	962,328,118	199,082,006	123,847,127	1,246,173,966	33,910,334	10,736,282	2,777,922,611
Increase	-	10,355,378	2,047,235	11,340,020	32,146,176	-	6,383,311	62,272,120
Disposal/write off	(31,500)	(708,500)	(1,149,423)	(2,472,496)	(32,070,785)	(12,241,453)	-	(48,674,157)
Transferred to expenses	-	-	-	-	-	-	(63,977)	(63,977)
Transferred to/from	-	1,860,000	-	-	81,544	-	(1,941,544)	-
December 31, 2017	201,813,278	973,834,996	199,979,818	132,714,651	1,246,330,901	21,668,881	15,114,072	2,791,456,597
Increase	-	9,097,006	973,069	6,158,767	12,669,167	-	5,078,816	33,976,825
Disposal/write off	-	-	(220,131)	(2,394,222)	(3,305,103)	(153,315)	-	(6,072,771)
Transferred to/from	-	-	-	-	1,663,335	-	(1,663,335)	-
December 31, 2018	201,813,278	982,932,002	200,732,756	136,479,196	1,257,358,300	21,515,566	18,529,553	2,819,360,651
<u>Accumulated depreciation</u>								
January 1, 2017	-	277,067,182	165,545,170	89,666,314	1,029,311,395	29,905,523	-	1,591,495,584
Depreciation for the year 2017	-	40,327,692	18,050,914	11,442,576	87,444,404	872,992	-	158,138,578
Disposal/write off	-	(485,911)	(1,135,428)	(2,472,399)	(30,997,784)	(12,241,450)	-	(47,332,972)
December 31, 2017	-	316,908,963	182,460,656	98,636,491	1,085,758,015	18,537,065	-	1,702,301,190
Depreciation for the year 2018	-	41,697,271	9,963,170	11,751,934	58,239,210	871,286	-	122,522,871
Disposal/write off	-	-	(220,093)	(2,393,331)	(3,143,293)	(153,313)	-	(5,910,030)
December 31, 2018	-	358,606,234	192,203,733	107,995,094	1,140,853,932	19,255,038	-	1,818,914,031
<u>Provision for impairment of assets</u>								
December 31, 2017	-	-	-	-	-	-	2,200,000	2,200,000
December 31, 2018	-	-	-	-	-	-	2,200,000	2,200,000
<u>Net book value</u>								
December 31, 2017	201,813,278	656,926,033	17,519,162	34,078,160	160,572,886	3,131,816	12,914,072	1,086,955,407
December 31, 2018	201,813,278	624,325,768	8,529,023	28,484,102	116,504,368	2,260,528	16,329,553	998,246,620

18. LEASEHOLD RIGHT

BAHT

PARTICULARS	CONSOLIDATED	
	2018	2017
Beginning balances leasehold right - net	1,269,853	2,030,161
Less Amortization for the years	(742,204)	(760,308)
Ending balances leasehold right - net	527,649	1,269,853

19. INTANGIBLE ASSETS

BAHT

PARTICULARS	CONSOLIDATED			THE SEPARATE FINANCIAL STATEMENTS		
	Computer softwares	Computer softwares installation	Total	Computer softwares	Computer softwares installation	Total
<u>Cost</u>						
January 1, 2017	81,906,524	-	81,906,524	58,181,359	-	58,181,359
Increase	3,051,377	-	3,051,377	2,192,270	-	2,192,270
December 31, 2017	84,957,901	-	84,957,901	60,373,629	-	60,373,629
Increase	4,744,655	7,172,754	11,917,409	4,671,756	7,172,754	11,844,510
December 31, 2018	89,702,556	7,172,754	96,875,310	65,045,385	7,172,754	72,218,139
<u>Accumulated amortization</u>						
January 1, 2017	49,144,794	-	49,144,794	27,957,438	-	27,957,438
Amortization for the year 2017	6,698,343	-	6,698,343	5,440,966	-	5,440,966
December 31, 2017	55,843,137	-	55,843,137	33,398,404	-	33,398,404
Amortization for the year 2018	6,336,235	-	6,336,235	5,554,014	-	5,554,014
December 31, 2018	62,179,372	-	62,179,372	38,952,418	-	38,952,418
<u>Net book value</u>						
December 31, 2017	29,114,764	-	29,114,764	26,975,225	-	26,975,225
December 31, 2018	27,523,184	7,172,754	34,695,938	26,092,967	7,172,754	33,265,721

20. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Bank overdrafts	1,638,704	23,816,001	-	-
Short-term borrowings from financial institutions	137,104,022	416,610,145	60,000,000	314,500,000
Total	138,742,726	440,426,146	60,000,000	314,500,000

Bank overdrafts and short-term borrowings from the financial institutions of the Company and subsidiary are unsecured loans.

21. PROVISION FOR LONG - TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		
	Provision for employee retirement benefit under labor law	Other long-term employee benefits	Total
<u>Defined benefit obligation</u>			
Balances as at January 1, 2017	143,853,247	5,140,140	148,993,387
<u>Add</u> Current service cost	23,457,928	1,145,554	24,603,482
Interest cost	3,507,136	126,143	3,633,279
<u>Less</u> Benefits paid during the year	(15,025,228)	(955,180)	(15,980,408)
Balances as at December 31, 2017	155,793,083	5,456,657	161,249,740
<u>Add</u> Current service cost	25,604,598	1,284,044	26,888,642
Interest cost	3,897,336	138,816	4,036,152
<u>Less</u> Benefits paid during the year	(6,032,928)	(297,125)	(6,330,053)
Balances as at December 31, 2018	179,262,089	6,582,392	185,844,481

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		
	Provision for employee retirement benefit under labor law	Other long-term employee benefits	Total
<u>Defined benefit obligation</u>			
Balances as at January 1, 2017	121,255,577	4,196,056	125,451,633
<u>Add</u> Current service cost	19,030,643	833,664	19,864,307
Interest cost	2,969,265	106,740	3,076,005
<u>Less</u> Benefits paid during the year	(12,821,906)	(237,837)	(13,059,743)
Balances as at December 31, 2017	130,433,579	4,898,623	135,332,202
<u>Add</u> Current service cost	20,616,062	951,010	21,567,072
Interest cost	3,258,814	121,216	3,380,030
<u>Less</u> Benefits paid during the year	(5,458,370)	(297,125)	(5,755,495)
Balances as at December 31, 2018	148,850,085	5,673,724	154,523,809

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED	% (per annum)
		THE SEPARATE FINANCIAL STATEMENTS
Discount rate	2.53 - 2.55	2.55
Salary increase rate (depends on the age)	2.67 - 5.00	2.67 - 5.00
Average staff turnover rate (depends on the age)		
- Monthly staff	0.00 - 39.00	0.00 - 34.00
- Daily staff	0.00 - 68.00	0.00 - 68.00

Sensitivity analysis on key assumption changes are as follows:

BAHT

PARTICULARS	2018	
	CONSOLIDATED	THE SEPARATE FINANCIAL STATEMENTS
Discount rate -1.0%	200,162,185	166,503,999
Discount rate (base)	185,844,481	154,523,809
Discount rate +1.0%	173,307,858	144,084,832
Expected rate of salary increase -1.0%	168,100,979	140,181,360
Expected rate of salary increase (base)	181,503,594	150,829,385
Expected rate of salary increase +1.0%	196,156,573	162,814,952

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries have additional liabilities for long-term employee benefits. The Company and its subsidiaries have not recorded the effect of the change.

22. INCOME TAX EXPENSES

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2018 and 2017 were calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax, such as dividend income, or being disallowable expenses in income taxes computation purposes such as doubtful debts.

The corporate income tax of the Company is calculated at the rate of 20 percent.

The corporate income taxes of subsidiaries established under Thai law are calculated at the rate of 10, 15 and 20 percent.

The corporate income taxes of subsidiaries established under foreign law are calculated at the rate of 10, 16.50, 19 and 20 percent.

Income taxes expenses recognized in statements of income consist:

BAHT

PARTICULARS FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
The corporate income tax for the years	54,149,248	26,096,829	46,715,644	23,159,424
Amortization and reversal of temporary differences assets/liabilities on temporary differences	1,658,534	5,409,043	3,720,602	5,898,707
Income tax expenses	55,807,782	31,505,872	50,436,246	29,058,131

As at December 31, 2018 and 2017, the deferred tax assets/liabilities arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Accumulated temporary differences in the statements of income				
Tax rate of 10%				
Unused tax losses	-	5,453,952	-	-
Tax rate of 15%				
Allowance for doubtful trade accounts receivable	62,166	-	-	-
Unused tax losses	6,511,027	-	-	-
Tax rate of 20%				
Allowance for doubtful trade accounts receivable	3,655,771	3,929,063	3,438,762	3,929,063
Provision for diminution in inventories	18,780,324	19,165,781	11,368,655	14,152,228
Unrealized gain on forward exchange contracts	(464,704)	(1,103,576)	(467,664)	(1,113,374)
Provision for long-term employee benefits	185,844,481	161,249,740	154,523,809	135,332,202
Allowance for loss on capital decrease and provision for diminution in investments	23,177,725	58,248,173	41,161,725	76,328,173
Provision for impairment of assets under construction	2,200,000	2,200,000	2,200,000	2,200,000
Total	239,766,790	249,143,133	212,225,287	230,828,292
Temporary differences in the statements of comprehensive income				
Tax rate of 20%				
- recognized in other components of the shareholders' equity				
Unrealized gain on remeasuring available- for-sale securities	(648,029,117)	(806,831,765)	(648,029,117)	(806,831,765)
Total	(408,262,327)	(557,688,632)	(435,803,830)	(576,003,473)
Deferred tax liabilities	(81,981,125)	(112,083,121)	(87,160,766)	(115,200,694)

23. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5 % of annual net profit less deficits brought forward (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has completely appropriated for legal reserve in compliance with the legal requirement.

24. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 24, 2018, the Ordinary General Shareholders' Meeting for 2018 was held and approved a resolution to pay dividends for the results of 2017 operation to the shareholders of 149,930,828 shares at Baht 1.20 per share, totaling Baht 179.92 million. The dividend payment was made on May 23, 2018 and approved a resolution to pay directors' remuneration at the maximum of Baht 15 million per year.

On April 24, 2017, the Ordinary General Shareholders' Meeting for 2017 was held and approved a resolution to pay dividends for the results of 2016 operation to the shareholders of 149,930,828 shares at Baht 1.20 per share, totaling Baht 179.92 million. The dividend payment was made on May 23, 2017 and approved a resolution to pay directors' remuneration at the maximum of Baht 15 million per year.

25. EXPENSES BY NATURE

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
(Increase) decrease changes of finished goods and work in progress	4,368,352	92,475,921	(31,261,723)	76,155,172
Raw material and consumables used	2,198,371,789	2,288,620,525	2,323,291,115	2,374,122,582
Purchase of inventories	458,169,049	446,704,538	106,871,401	148,129,458
Directors and management benefit expenses	56,230,380	65,146,093	51,882,380	59,294,493
Employee benefit expenses	1,059,575,666	1,034,629,455	698,747,126	710,158,044
Depreciation	218,954,655	251,512,160	126,507,561	162,136,290
Amortization expenses	7,078,439	7,458,651	5,554,014	5,440,966
Loss on diminution of investments in related companies	129,552	-	33,552	-
Loss on dissolution of investments in related companies	31,310,832	-	31,310,832	-
Other expenses	653,403,657	670,130,869	455,496,175	477,161,095
Total	4,687,592,371	4,856,678,212	3,768,432,433	4,012,598,100

26. EMPLOYEE PROVIDENT FUND

The Company and its subsidiary have set up and registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). In order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation, with one part of contribution from the employees and another part from the Company at the rate of 3% on their basic salaries. The Company has appointed the CIMB-Principal Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company and its subsidiary for their employees are recorded as expenses in the statements of income for the years ended December 31, 2018 and 2017 as follows:

MILLION BAHT

Company's name	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
S & J International Enterprises Plc.	9.22	9.40	9.22	9.40
Top Trend Manufacturing Co., Ltd.	2.22	2.13	-	-
Total	11.44	11.53	9.22	9.40

27. FOREIGN CURRENCY TRANSACTIONS

27.1 The Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows :-

AMOUNT IN THOUSAND

CONSOLIDATED	2018		2017	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	8,060.78	260,241	6,119.97	198,988
JPY	5,317.21	1,538	136,457.04	39,024
GBP	462.64	18,754	127.62	5,556
Total assets		280,533		243,568

AMOUNT IN THOUSAND

CONSOLIDATED	2018		2017	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Liabilities				
USD	1,459.38	47,580	782.47	25,702
JPY	25,804.45	7,663	3,792.40	1,113
GBP	2.95	122	0.90	40
EUR	17.56	652	10.70	421
CHF	-	-	1.33	45
CNY	672.85	3,219	-	-
Total liabilities		59,236		27,321

AMOUNT IN THOUSAND

THE SEPARATE FINANCIAL STATEMENTS	2018		2017	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	7,975.26	257,480	6,077.16	197,597
JPY	5,317.21	1,538	136,457.04	39,024
GBP	488.81	19,851	285.00	12,405
EUR	19.80	728	-	-
Total assets		279,597		249,026
Liabilities				
USD	1,594.92	52,001	698.93	22,958
JPY	25,804.00	7,663	3,792.40	1,113
GBP	368.97	15,320	288.65	12,831
EUR	523.39	19,615	316.92	12,484
Total liabilities		94,599		49,386

27.2 The Company and subsidiaries have made selling forward exchange contracts with the local commercial bank for hedging in exchange rate fluctuation which might affect Baht received from export trade accounts receivable that can be summarized as follows :-

CONSOLIDATED	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2018</u>			
USD	2,202.75	71,341	June 2019 - July 2019
JPY	215,404.88	63,117	March 2019 - December 2019
<u>Year 2017</u>			
USD	4,779.16	155,707	June 2018
GBP	286.12	12,595	January 2018 - June 2018
JPY	237,287.89	68,833	May 2018 - June 2018
EUR	26.50	1,037	March 2018

THE SEPARATE FINANCIAL STATEMENTS	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2018</u>			
USD	2,202.75	71,341	June 2019 - July 2019
GBP	215,404.88	63,117	March 2019 - December 2019
<u>Year 2017</u>			
USD	4,779.16	155,707	June 2018
GBP	286.12	12,595	January 2018 - June 2018
JPY	237,287.89	68,833	May 2018 - June 2018

27.3 The Company and subsidiaries have made buying forward exchange contracts with the local commercial bank for hedging in exchange rate fluctuation which might affect Baht payable to the foreign accounts payable that can be summarized as follows :-

CONSOLIDATED	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2018</u>			
USD	0.82	27	January 2019
EUR	7.88	293	February 2019
<u>Year 2017</u>			
USD	82.52	2,682	February 2018 - June 2018

THE SEPARATE FINANCIAL STATEMENTS	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2017</u>			
USD	62.52	2,029	June 2018

28. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the years ended December 31, 2018 and 2017 are as follows:

BAHT

Year 2018	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	3,826,232,796	1,134,638,275	421,824,645	569,758,359	-	4,812,937,357
Operating result by segments	104,663,486	49,413,363	3,045,949	571,314,037	591,000,907	176,809,668
Other incomes	370,327,257	16,796,199	4,628,561	125,855,536	-	265,896,481
Profit attributable to equity holders of the parent						347,399,317
Property, plant and equipment-net	998,246,620	509,358,768	63,158,029	-	-	1,570,763,417

BAHT

Year 2017	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	4,063,842,449	1,049,591,615	387,391,422	551,195,669	-	4,949,629,817
Operating result by segments	86,128,968	31,615,329	2,992,251	557,326,766	568,606,269	132,016,051
Other incomes	304,175,717	11,479,515	5,235,161	154,425,695	-	166,464,698
Profit attributable to equity holders of the parent						274,436,423
Property, plant and equipment-net	1,086,955,407	407,751,299	68,157,521	-	-	1,562,864,227

The financial information by geographical areas can be classified to local and export sales in the consolidation for the years ended December 31, 2018 and 2017 as follows:

BAHT

Particulars	Local		Export		Total	
	2018	2017	2018	2017	2018	2017
Sales	2,721,114,220	2,648,260,546	2,091,823,137	2,301,369,271	4,812,937,357	4,949,629,817
Operating result by segments	77,351,145	23,698,980	99,458,523	108,317,071	176,809,668	132,016,051

29. TRANSACTIONS WITH RELATED PARTIES

The Company has certain business transactions with its related parties which are related through, shareholding or having shareholders or some co-directors. The effects of these transactions were reflected in the accompanying financial statements in normal business and general trading conditions.

COMPANIES	RELATIONSHIP
Associates	See Note 10
Subsidiaries	See Note 11
Related companies	See Note 12
Far East Fame Line DDB Plc.	Shareholders / co - directors
I.C.C. International Plc.	Shareholders / co - directors
Sahacogen (Chonburi) Plc.	Shareholders / co - directors
Saha Pathana Inter-Holding Plc.	Shareholders / co - directors
Shop Global (Thailand) Co., Ltd.	Shareholders / co - directors
Worldclass Rent A Car Co., Ltd.	Shareholders / co – chief executive
Better Way (Thailand) Co., Ltd.	Co - directors
International Laboratories Corp., Ltd.	Co - directors
Vitayasithi Co., Ltd.	Co - directors
O.C.C. Plc.	Co - directors
Oriental Salon Business Co., Ltd.	Co - directors
H & B Intertex Co., Ltd.	Co - directors
People 's Garment Plc.	Co - directors
AANC Co., Ltd.	Co - directors
I.S.B.M. Co., Ltd.	Co - directors
Shaldan (Thailand) Co., Ltd.	Co - directors
Kewpie (Thailand) Co., Ltd.	Co - directors
Make Up Technique International Co., Ltd.	Co - directors
Shiseido Profession (Thailand) Co., Ltd.	Co - directors
PBBC Intertrade Co., Ltd.	Co - directors
Better Leasing Co., Ltd.	Co - directors
Cake & Bakery Co., Ltd.	Co - directors
Sahachol Food Suppliers Co., Ltd.	Co - directors
Saha Pathanapibul Plc.	Co - shareholders
Boutique New City Plc.	Co - shareholders
President Bakery Plc.	Co - shareholders
Thai Wacoal Plc.	Co - shareholders
Erawan Textile Co., Ltd.	Related company is major shareholders

The significant transactions with related parties are as follows:

BAHT

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Trade accounts receivable (Note 6)</u>				
- Subsidiaries	-	-	2,886,240	8,169,766
- Associates	6,070,799	6,630,581	392,309	1,982,647
- Related companies	192,847,762	243,199,915	166,354,733	199,786,952
Total	198,918,561	249,830,496	169,633,282	209,939,365
<u>Other receivables</u>				
- Subsidiaries	-	-	6,142,985	4,321,191
- Associates	1,237,972	19,143	1,236,972	19,143
- Related companies	1,145,343	629,702	1,145,343	629,702
Total	2,383,315	648,845	8,525,300	4,970,036
<u>Short-term loans (Note 7)</u>				
- Subsidiary	-	-	4,000,000	4,000,000
<u>Other current assets - Accrued interest</u>				
- Related company	-	1,119	-	1,119
<u>Investments in available-for-sale securities - fair value (Note 9)</u>				
- Related companies	978,431,896	1,120,360,399	978,431,896	1,120,360,399
<u>Investment in convertible debentures (Note 14)</u>				
- Related company	-	19,456,000	-	19,456,000
<u>Other non-current assets - Rental guarantee</u>				
- Related companies	5,036,175	5,046,175	4,492,120	4,492,120
<u>Disposal of equipment</u>				
- Associate	-	150,000	-	150,000
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	68,482,120	61,469,303
- Related companies	17,553,584	16,366,495	12,521,811	16,360,346
Total	17,553,584	16,366,495	81,003,931	77,829,649
<u>Other accounts payable</u>				
- Subsidiaries	-	-	759,894	501,304
- Related companies	3,883,113	8,426,137	3,742,361	3,398,188
Total	3,883,113	8,426,137	4,502,255	3,899,492
<u>Other non-current liabilities</u>				
- Related companies	6,793	21,840	6,793	21,840

Transactions in statements of income for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Sales</u>				
- Subsidiaries	-	-	49,524,392	38,277,111
- Associates	16,022,377	26,124,242	2,989,554	11,342,473
- Related companies	1,334,386,938	1,515,655,586	1,136,594,340	1,327,449,180
Total	1,350,409,315	1,541,779,828	1,189,108,286	1,377,068,764
<u>Rental income</u>				
- Subsidiaries	-	-	1,033,736	429,230
- Associates	31,451,200	29,973,600	31,451,200	29,973,600
- Related companies	425,079	579,985	425,079	579,985
Total	31,876,279	30,553,585	32,910,015	30,982,815
<u>Other incomes</u>				
- Subsidiaries	-	-	9,469,533	6,881,194
- Associates	2,775,217	366,833	2,775,217	366,833
- Related companies	6,486,901	7,780,805	6,139,601	7,726,134
Total	9,262,118	8,147,638	18,384,351	14,974,161
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	463,520,613	492,909,301
- Associates	-	4,149,968	-	4,149,968
- Related companies	40,756,243	86,907,024	40,620,109	86,820,478
Total	40,756,243	91,056,992	504,140,722	583,879,747
<u>Rental expenses</u>				
- Related companies	8,461,824	8,677,724	8,461,824	8,677,724
<u>Other expenses</u>				
- Subsidiaries	-	-	7,211,023	8,159,126
- Associates	31,428	-	31,428	-
- Related companies	125,937,216	126,901,430	61,951,731	64,461,460
Total	125,968,644	126,901,430	69,194,182	72,620,586

Revenues from sales, purchase of goods and services, other income and expenses as shown in the statements of income are in accordance with general trading conditions under fixing price or at market price compensation. For the transactions with no reference of market price, the agreed prices according to the agreement are applied.

30. COMMITMENT AND CONTINGENT LIABILITIES

BAHT

PARTICULARS	December 31, 2018	
	CONSOLIDATED	THE SEPARATE FINANCIAL STATEMENTS
1. Commitment under letters of guarantee issued by commercial banks	26,664,798	18,316,098
2. Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.		
3. The Company and subsidiaries have commitment to pay future monthly rental and services for lease and service contracts for the office, warehouse and advisory contract from January 1, 2019 as follows:		
<u>CONTRACT PERIOD</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE FINANCIAL STATEMENTS</u>
Current portion	41,190,318 Baht	27,871,446 Baht
Over 1 year but not over 5 years	19,682,092 Baht	16,809,055 Baht

31. FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position, as follows:

31.1 Accounting policies and procedure

- See Note 4.

31.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable, consists of
 - a) Portion of sales to customers that are related companies. (See Note 29)
 - b) Another portion of sales to other customers that are numerously.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

31.3 Risk relating to interest rate

Risk from the fluctuation of interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company and subsidiaries expect that they can manage the contingent risk, due to they have set up a plan and follow up the situation closely.

31.4 Risk from exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company will make the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

31.5 Fair value of financial instruments

The Company and subsidiaries have used the following methods and assumptions to estimate the fair value of financial instruments:

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value, due to such liabilities will be matured in short term.

32. EVENTS AFTER THE REPORTING PERIOD

On February 26, 2019, the Board of Directors' Meeting No. 2/2019 was held and passed a resolution to pay the dividends for the results of 2018 operation to the shareholders of 149,930,828 shares at Baht 1.26 per share, totaling Baht 189 million and approved a resolution to pay directors' remuneration at the maximum of Baht 15 million per year. The Company will request for the approval to pay the dividend in the annual general meeting of shareholders.

33. RECLASSIFICATION

The Company certain accounting transactions in statements of income for the year ended December 31, 2017 have been reclassified to conform to statements of income for the year ended December 31, 2018. The reclassifications had no effect to previously reported profit or shareholders' equity.

34. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 26, 2019.