

รายงานประจำปี 2561

ANNUAL REPORT 2018



บริษัท มุ่งพัฒนา อินเตอร์เนชั่นแนล จำกัด (มหาชน)
Moong Pattana International Public Company Limited

 **MOONG
PATTANA**
UNLOCK
POSSIBILITIES
GREATER RESULT

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Chairman Message



“

focusing on adhering to the
moral, ethics and good corporate
governance and being
responsible to the stakeholders

”

2018 was another challenging year for Moong Pattana International Public Company Limited, although Thai economy has continued to grow from the previous year from being driven by government spending and investment, implementing measures to take care of the low-income people. In particular, the government welfare card project also helps to support public spending. However, the spending of the public sector continues to expand gradually as the consumers still being very careful to spend the money.

The Company's Board of Directors, executives and employees wholeheartedly and persistently continue to grow the business and sustainable return to the shareholders, contributing to the Company posting THB 878.7 million in total revenue from sale of goods, a 10.5% increase over 2017, and THB 129.1 million in total comprehensive income. The Company has continued growth for 10 consecutive years since being listed in the mai in 2009 and the Company strives to keep our business steady and sustainable.

In addition to driving the Company to be able to generate the profits, sustainably grow and adhere to the policy of the Company which focusing on adhering to the moral, ethics and good corporate governance and being responsible to the stakeholders and society including establishing a legitimate business, the Board of Directors also aims to raise the level of the Anti-Corruption Practice from the previous year by reviewing the policy and guideline against corruption to be more comprehensive and in line with the current risk. Moreover, the Company also began to expand the Anti-Corruption Practice to its subsidiaries, affiliates as well as the business partners.

From Thailand 4.0 policy that focuses on business competition through technology, creativity and innovation resulted the Company's E-Commerce business growing by 110% in 2018. In 2019, the Company will continue to raise the competitiveness of the Company, driving business with the new technology and innovation including opening opportunities for employees to develop their skills, improve work processes to be more effective and able to reach and respond the needs and behaviors change of customers in this digital age.

On behalf of Moong Pattana, I would like to thank all shareholders, business partners, customers and stakeholders for the never-ending support and trust. I am firmly confident that the Company's Board of Directors, executives, and employees will continue to develop the sustainable value of the business through shared responsibilities with society, community, and environment while delivering a good performance continuously.

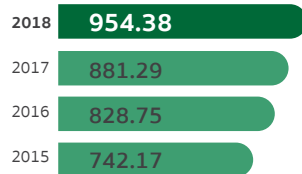


Mr. Sumeth Lersumitkul
Chairman of the Board of Directors

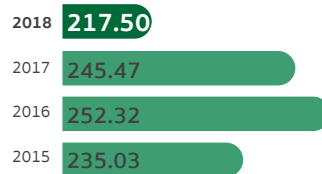
Financial Highlights

Unit: Million Baht

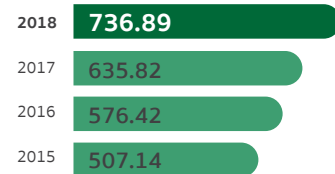
Total Assets



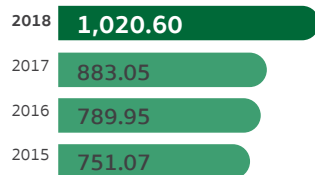
Total Liabilities



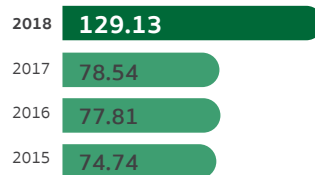
Total Shareholders' Equity



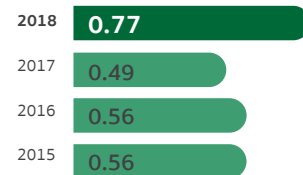
Total Revenues



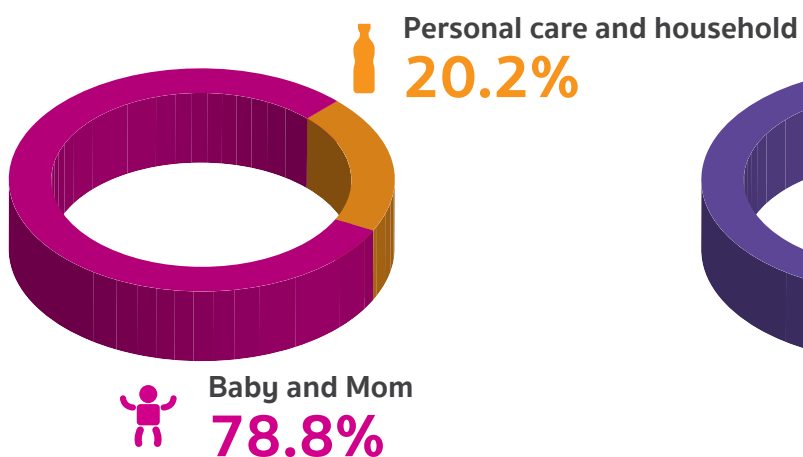
Net Profit



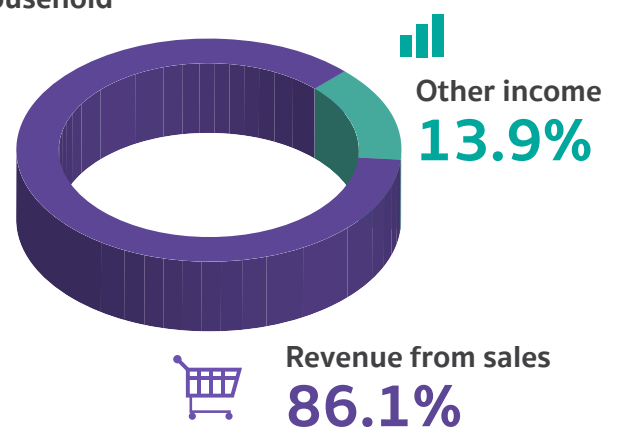
Earning per share



Revenue from Sales



Revenue from Sales



Financial Highlights

Key financial highlights

3 Years Financial Highlights					% Growth Rate	
Description	unit	2018	2017	2016	2018	2017
Statement of Comprehensive Income (Equity Method)		Baht Million				
Sales of goods		878.7	795.4	704.0	10.5	13.0
Total revenues		930.6	816.4	722.9	14.0	12.9
Gross profit		472.3	414.7	367.7	13.9	12.8
Profit before share of income from investment in associated company, finance cost and income tax		49.2	15.5	15.1	217.4	2.6
Finance cost		1.3	2.0	2.8	(35.0)	(28.6)
Profit before income tax expenses		47.9	13.5	12.3	254.8	9.8
Income tax expenses		8.8	1.5	1.6	486.7	(6.3)
Profit before share of income from investment in associated company		39.1	12.0	10.7	225.8	12.1
Share on income from the investment in associ- ated company		90.0	66.6	67.1	35.1	(0.7)
Profit for the year		129.1	78.6	77.8	64.2	1.0
Total Comprehensive income for the year		127.7	77.3	77.8	65.2	(0.6)
Statements of Financial Position(Equity Method)		Baht Million				
Total assets		954.4	881.3	828.8	8.3	6.3
Total liabilities		217.5	245.5	252.3	(11.4)	(2.7)
Total shareholders' equity		736.9	635.8	576.4	15.9	10.3
Interest bearing debt		8.7	70.3	96.8	(87.6)	(27.4)

Financial Highlights

3 Years Financial Highlights					% Growth Rate	
Description	unit	2018	2016	2018	2017	2560
Share Capital Data						
Registered share capital issued and fully paid up	'000 share	168,433	165,259	145,832	1.9	13.3
Book value per share	Baht	4.37	3.85	3.95	13.5	(2.5)
Par value per share	Baht	1.00	1.00	1.00	-	-
Earnings per share (Equity Method)	Baht	0.77	0.49	0.56	57.1	(12.5)
Earnings per share (Separate Method)	Baht	0.35	0.18	0.20	94.4	(10.0)
Dividend per share	Baht	0.18	0.18	0.15	-	20.0
Financial Ratios						
Gross profit margin	%	53.75	52.14	52.23	3.1	(0.2)
Net profit margin (Equity Method)	%	14.53	9.72	11.05	49.5	(12)
Dividend payout ratio (Equity Method)	%	23.2	35.9	29.5	(35.4)	21.7
Dividend payout ratio (Separate Method)	%	51.6	91.7	73.2	(43.7)	25.3
Return on total assets	%	13.5	8.9	9.4	51.7	(5.3)
Return on equity	%	17.5	12.2	13.5	43.4	(9.6)
Liquidity ratio	Times	1.54	1.21	1.10	27.3	10.0
Collection days	Days	84	80	74	5	8.1
Average number of days sales	Days	79	84	101	(6.0)	(16.8)
Debt to equity ratio	Times	0.3	0.4	0.4	(25)	-
Interest bearing debt to equity ratio	Times	0	0.1	0.2	(100)	(50.0)

Vision, Mission, Core Values & Culture

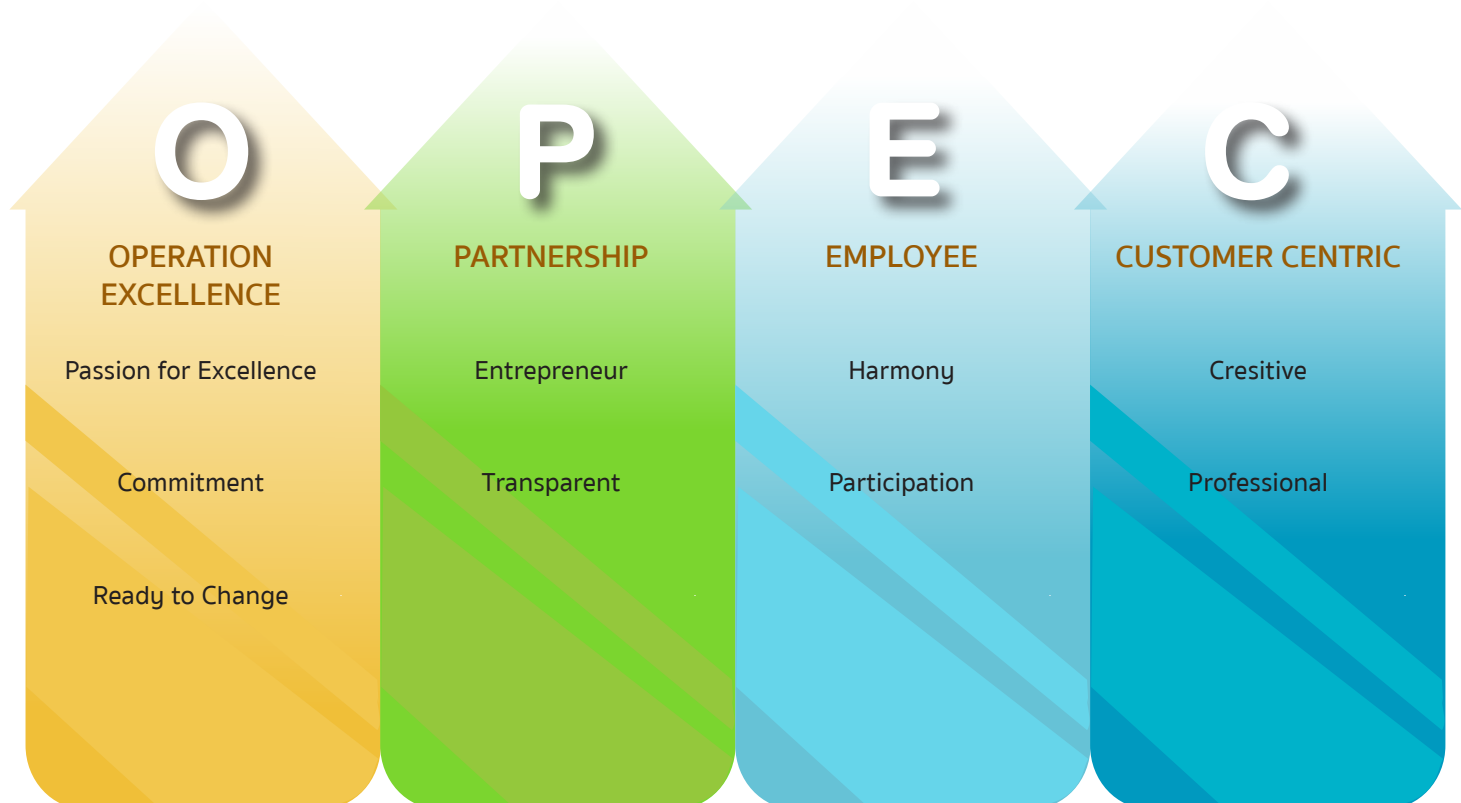
Vision

Striving for excellence in products and service with business ethic and integrity of business operation, fulfilling customer and investor expectation whilst achieving utmost relationship with business partners.

Mission

- Become an organization with outstanding profitability who earns trust from consumers, business, partners, and investors.
- Become an organization with human resources as priority, emphasizing on skills and knowledge development including wellness and quality of life of employees.
- Become an organization with good relationships with business partners and promoting mutual and long lasting growth.
- Become an organization with reiteration of corporate governance, business ethics, and social responsibilities.
- Become an organization with reputation as a professional trading company and distributor.

Core Value & Culture



UNLOCK POSSIBILITIES GREATER RESULTS

Board of Directors



- | | |
|------------------------------|--|
| 1. Mr. Sumeth Lersumitkul | Chairman of the Board |
| 2. Mrs. La-aid Vongvongepop | Chairman of Audit Committee/ Independent Director/ Remuneration Committee |
| 3. Mr. Manit Jeeradit | Independent Director/ Chairman of Remuneration Committee / Audit Committee |
| 4. Mr. Thaevan Uthaiwat | Independent Director / Audit Committee / Remuneration Committee |
| 5. Mrs. Sureeporn Anuvatudom | Director / Chairman of Executive Committee / Risk Management Sub-Committee / Chairman of Create Share Value Sub-Committee / Chief of Executive Officer |
| 6. Ms. Suwanna Chokdee-anand | Director / Executive Committee / Chairman of Risk Management Sub-Committee / Joint Chief of Executive Officer |
| 7. Mr. Methin Lersumitkul | Director / Executive Committee / Risk Management Sub-Committee / Senior Director of Business Development and Marketing |

Board of Directors

Mr. Sumeth Lersumitkul

Chairman of the Board

Age 68

Education

Master Degree of Business Administration, Ramkhamhaeng University
Bachelor Degree of Economics, Ramkhamhaeng University

Training

Thai Listed Companies Association (TLCA)

Certification of Executive Development Program (EDP), 14/2014

Capital Market Academy (CMA)

Certification of Chief Executive Program, 15/2012

Thai Institute of Directors (IOD)

Role of the Chairman Program (RCP), 31/2013
Role of Compensation Committee (RCC), 16/2013
Role of Nomination & Governance Committee (RNG), 5/2013
Director Certification Program (DCP), 10/2008
Director Accreditation Program (DAP), 6/2008



No. of Share (%) 53.54%

Relationship among Directors Spouse of Mrs. Sureeporn Anuvatudom / Father of Mr. Methin Lersumitkul

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary	Yes
Be a professional service provider (such as auditor or a lawyer)	No
Having material business relationship that may affect independence of judgment	No
Having relationship among directors	Yes

Work Experiences

Listed Companies

2015 - Present	Chairman of the Board of Director, Moong Pattana International PCL.
2011 - 2015	Chairman of the Board of Director & Chief Executive Officer, Moong Pattana International PCL.
2008 - 2011	Director & Chief Executive Officer, Moong Pattana International PCL.

Non-Listed Companies

2015 - Present	Advisory Director, Yoshino Moong Pattana (Thailand) Co., Ltd.
2015 - Present	Advisory Director, Pigeon Industries (Thailand) Co., Ltd.
1990 - Present	Chairman, Thai Pigeon Co., Ltd.
1981 - 2008	Chief Executive Officer, Moong Pattana Marketing Co., Ltd

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	4/4
Executive Committee	6/7

Board of Directors

Mrs. La-aid Vongvongpop

Chairman of Audit Committee /

Independent Director / Remuneration Committee

Age 74

Education

Master Degree of Business Administration, Golden Gate University, California U.S.A.

Bachelor Degree of Commerce, Thammasat University

Bachelor Degree of Accounting, Thammasat University

Certified Public Accountant (Thailand) No.5834

Training

Thai Institute of Directors (IOD)

National Directors Conference 2018 "Rising Above Disruptions: A Call for Action" Jun 2018

Audit Committee Forum "Learn, unlearn and relearn – Audit Committee in the age of Disruptions" Nov 2018

Advanced Audit Committee Program (AACP), 27/2017

Risk Management Program for Corporate Leaders (RCL), 5/2016

Anti-Corruption for Executive Program (ACEP), 15/2015

Audit Committee Program (ACP), 22/2008

Director Certification Program (DCP), 51/2004

Director Accreditation Program (DAP), 23/2004

Federation of Accounting Professions (FAP)

New accounting standard of financial report 2019 and 2020 (2/18)

Advance consolidated financial statements workshop

Integrated Report, 2/2017

No. of Share (%) 0.01%

Relationship among Directors

No

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary

No

Be a professional service provider (such as auditor or a lawyer)

No

Having material business relationship that may affect independence of judgment

No

Having relationship among directors

No

Work Experiences

Having material business relationship that may affect independence of judgment

No

Having relationship among director

Listed Companies

2015 - Present Remuneration Committee, Moong Pattana International PCL.

2008 - Present Chairman of the Audit Committee / Independent Director, Moong Pattana International PCL

2005 - 2012 Chairman of Audit Committee / Central Plaza Hotel PCL.

1998 - 2004 Deputy Managing Director, Thainox Stainless Steel PCL.

Non-Listed Companies

2015 - Present Director, License2Q Company Limited

2004 - 2009 Chairman, BT Asset Management Company Limited

1999 - 2008 Senior Executive Vice President, Bank Thai Public Company Limited

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting

1/1

Board of Directors

4/4

Audit Committee

5/5

Remuneration Sub-committee

1/1



Board of Directors

Mr. Manit Jeeradit

Chairman of Remuneration Sub-committee /
Audit Committee / Independent Director

Age 70

Education

Bachelor Degree of Art (Summa Cum Laude) Economics and Accounting,
Claremont Men's College (now, Claremont McKenna College), California, U.S.A.

Training

Thai Institute of Directors (IOD)

National Directors Conference 2018 "Rising Above Disruptions: A Call for Action" Jun 2018
Anti-Corruption for Executive Program (ACEP), 15/2015
Director Certification Program (DCP), 187/2014
Director Accreditation Program (DAP), 87/2011
Audit Committee Program (ACP), 36/2011

No. of Share (%):

No

Relationship among Directors

No

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary	No
Be a professional service provider (such as auditor or a lawyer)	No
Having material business relationship that may affect independence of judgment	No
Having relationship among director	No

Work Experiences

Listed Companies

2015 - Present	Chairman of Remuneration Sub-committee, Moong Pattana International Pcl.
2012 - Present	Chairman of Audit Committee, Chularat Hospital Group
2011 - Present	Director and Audit Committee, Moong Pattana International Pcl.

Non-Listed Companies

2015 - Present	Director, License2Q Company Limited
2004 - 2009	Chairman, BT Asset Management Company Limited
1999 - 2008	Senior Executive Vice President, Bank Thai Public Company Limited

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	4/4
Audit Committee	5/5
Remuneration Sub-committee	1/1



Mr. Thaevan Uthaivat

Independent Director / Audit Committee /
Remuneration Committee

Age 58

Education

Master Degree Public and Private Management, National Institute of Development Administration (NIDA)
Master Degree of Public Affairs, University of Texas, U.S.A.
Master Degree of Public Administration, Midwestern State University, Wichita Falls, Texas, U.S.A.
Bachelor Degree LL.B., Thammasat University

Training

Thai Institute of Directors (IOD)

IOD Director Forum 1/2018 Better Governance, Better Business: Thailand's Progress Report, Apr 2018
AGM Dinner talk, May 2018
National Directors Conference 2018 "Rising Above Disruptions: A Call for Action" Jun 2018
Audit Committee Forum "Learn, unlearn and relearn – Audit Committee in the age of Disruptions" Nov 2018
CG for Executives (CGE), 6/2016
Ethical Leadership Program (ELP), 3/2016
Anti-Corruption the Practical Guide (ACPG), 25/2016
Chartered Director Certification Program (CDC), 9/2015
Director Certification Program (DCP), 181/2013
Audit Committee Program (ACP), 43/2013
Director Accreditation Program (DAP), 72/2008

Office of the Judiciary

Executives Training on Justice Administration, National Justice Academy, 19/2015

Thailand Arbitration Center (THAC)

Mediation Training Class, 2016-2017

Chulalongkorn University

Asean Business and Investment Training Course (2017)

No. of Share (%)

No

Relationship among Directors

No

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary No
Be a professional service provider (such as auditor or a lawyer) No
Having material business relationship that may affect independence of judgment No
Having relationship among directors No

Work Experiences

Listed Companies

2015 – Present Remuneration Committee, Moong Pattana International Pcl.
2008 - Present Independent Director / Audit Committee, Moong Pattana International Pcl.

Non-Listed Companies

2014 – Present Director Saint Honore (Bangkok) Ltd.
2003 – Present Legal Advisor, Thai Legal Law Office
2003 – Present Director, Sukajitra Co.,Ltd.
2001 – 2002 Public Affairs Director, Ford Operations (Thailand) Co.,Ltd.
1997 – 1999 Director of Legal Division, Mass Rapid Transit Authority of Thailand
1995 – Present Director, Surint Omya Chemicals (Thailand) Co.,Ltd.
1982 – 1996 Attorney and Counselor at Law, Dr.Ukrit Mongkolnavin Law Office

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting 1/1
Board of Directors 6/6
Audit Committee 5/5
Remuneration Sub-committee 1/1



Board of Directors

Mrs. Sureeporn Anuvatudom

Director / Joint Chief Executive Officer

Age 68

Education

Master Degree of Business Administration Ramkhumhaeng University

Bachelor Degree of Economics, Ramkhumhaeng University

Training

Thai Institute of Directors (IOD)

Anti-Corruption for Executive Program (ACEP), 15/ 2015

Role of Nomination & Governance Committee (RNG), 5/2013

Director Certification Program (DCP), 181/2013

The Board's Role in Mergers & Acquisitions (M&A), 1/2011

Director Accreditation Program (DAP), 69/2008



No. of Share (%) 1.35%

Relationship among Directors

Spouse of Mr.Sumeth Lersumitkul / Mother of Mr. Methin Lersumitkul

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary	Yes
Be a professional service provider (such as auditor or a lawyer)	No
Having material business relationship that may affect independence of judgment	No
Having relationship among directors	Yes

Work Experiences

Listed Companies

2014 – Present Director and Joint Chief Executive Officer, Moong Pattana International Pcl.

2008 – 2014 Director and Senior Vice President, Moong Pattana International Pcl.

Non-Listed Companies

2015 – Present Director, Yoshino Moong Pattana (Thailand) Company Limited

1981-2008 Vice President-Finance, Moong Pattana Marketing Company Limited

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting

Board of Directors	1/1
Executive Committee	4/4
Risk Management Sub-committee	6/7
	4/4

Ms. Suwanna Chokdee-anand Director / Chief Executive Officer

Age 50

Education

Master of Business Administration (MBA Executive) Chulalongkorn University
Bachelor of Economics and Business Administration, majoring in marketing,
Kasetsart University

Training

Thai Institute of Directors (IOD)

Director Certification Program (DCP), 264/2018
Anti-Corruption for Executive Program (ACEP), 15/2015
How to Develop a Risk Management Plan (HRP), 3/2013
Director Accreditation Program (DAP), 96/2012
Successful Formulation & Execution Strategy SFE, 13/2011
The Board's Role in Mergers & Acquisitions (M&A), 1/2011

PACRIM Group

The 4 Essential Roles of Leadership (2018)

Thailand Management Association (TMA)

Conflict Resolutions Management (2017)

Narit & Associates Limited

Commercial Contracts Drafting, Risk Management and Tax Aspects, 2013

Thai Productivity Institute

Business Process and SOP, 2012

No. of Share (%) 0.38%

Relationship among Directors

No

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary	Yes
Be a professional service provider (such as auditor or a lawyer)	No
Having material business relationship that may affect independence of judgment	No
Having relationship among directors	No

Work Experiences

Listed Companies

2015-present	Director & Chief Executive Officer Moong Pattana International Pcl.
2012-present	Director / Senior Executive Vice President -Operation and Commercial, Moong Pattana International Pcl.
2011 - 2012	Vice President - Marketing and Sales, Moong Pattana International Pcl.

Non-Listed Companies

2015-present	Director, Pigeon Industries (Thailand) Co.,Ltd.
2009 - 2010	Managing Director, Maxus Thailand Co.,Ltd. (Group M Thailand)
2006 - 2009	Assistant Managing Director Branded Business Malee Enterprise Co.,Ltd.
2003 - 2005	AVP. Channel Development Nestle (Thailand) Co.,Ltd.
2001 - 2002	Senior Manager National Distributor Development (FoodServices BU), Nestle (Thailand) Co., Ltd.

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	4/4
Executive Committee	7/7
Risk Management Sub-committee	4/4
Creating Shared Value Sub-committee	4/4

Board of Directors

Mr. Methin Lersumitkul

Director

Age 42

Education

Master of International Business, Aston Business School, UK
Bachelor Degree of Economics, Chulalongkorn University

Training

Thai Institute of Directors (IOD)

How to Develop a Risk Management Plan (HRP), 3/2013
Director Accreditation Program (DAP), 122/2015

Thai Chamber of Commerce (NTCC)

Transforming Mindsets for Executive Leadership - Boost Accountability,
Engagement and Collaboration in your team, Netherlands, 2014

Narit & Associates Limited

Commercial Contracts Drafting, Risk Management and Tax Aspects, 2013

Idea Forum Co.,Ltd.

Investment Laws in Myanmar, 2015

Thailand Management Association (TMA)

Conflict Resolutions Management (2017)

No. of Share (%) 4.26%

Relationship among Directors Son of Mr. Sumeth Lersumitkul and Mrs. Sureeporn Anuvatudom

Relationship with the Company

Be an executive, employee, staff or advisor who receives salary	Yes
Be a professional service provider (such as auditor or a lawyer)	No
Having material business relationship that may affect independence of judgment	No
Have relationship among directors	Yes

Work Experiences

Listed Companies

2017 - Present	Director / Executive Director / Senior Business Development and Marketing Director, Moong Pattana International Pcl.
2016 - 2017	Director / Executive Director / Business Development and Marketing Director, Moong Pattana International Pcl.
2013 - Present	Director / Business Development Director, Moong Pattana International Pcl.
2011 - 2013	Marketing Director, Moong Pattana International Pcl.
2010 - 2011	Assistant Vice President, Moong Pattana International Pcl.
2002 - 2008	Marketing Manager / Group Brand Manager / Brand Manager, Moong Pattana International Pcl.

Positions in other competitor / related companies

No

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	4/4
Executive Committee	7/7
Risk Management Sub-committee	4/4
Creating Shared Value Sub-committee	4/4



Report of Board of Directors' Responsibilities for Financial Statement

Dear Shareholders,
Moong Pattana International Public Company Limited

The Company's Board of Directors place emphasis on the compliance of its role, duty, and responsibility upon its operations to good corporate governance policy by directing and auditing the Company's financial reports and information illustrated in the Annual Report, including disclosure of adequate information in Notes to Financial Statements enabling the statements to derive from account standard practices, selection of appropriate accounting policy and consistent practices, well-thought out discretion, justified forecasting, effective internal audit system, and practices in compliance to relevant regulations and laws. This Financial Statement was successfully audited by Certified Public Accountant (CPA) from EY Corporate Services Limited, the input

was provided without conditions, and the Company's Audit Committee has informed the Company's Board of Directors of the audit results and reported relevant inputs in Audit Committee Report presented in this Annual Report.

The Board of Directors has the opinion that the Company's overall internal control systems are sufficient and appropriate and is able to obtain reasonable assurance that the Company's financial statement for the fiscal year ended December 31, 2018 has been shown accurately financial performance and cash flows in conformity with the generally accepted accounting principles as well as related laws and relevant regulations.

On behalf of the Board of Directors



Mr. Sumeth Lersumitkul
Chairman of the Board of Directors

The Audit Committee Report

Dear Shareholders

Moong Pattana International Public Company Limited

The Audit Committee of Moong Pattana International Pcl. consists of 3 independent directors whose qualification, knowledge, ability, and specific experience are accordingly completed with the notification of the Stock Exchange of Thailand as well as whose independency of performance to follow the Charter of the Audit Committee. The 3 Independent Directors are Mrs. La-aid Vongvongpop, as the Chairman of the Audit Committee, Mr. Manit Jeeradit, and Mr. Thaevan Uthaivath, as the members of the Audit Committee.

In 2018, there were 5 meetings of the Audit Committee which were attended by the Company's Senior Executives and Manager - Internal Auditing Division in the related agendas to jointly propose the information or suggestion which were beneficial to the administration. The Audit Committee recognizes the important of reviewing financial statements, internal control, corporate governance and compliance with security and exchange laws, including laws and regulations relevant to its company, as well as encourage compliant practices regarding the Company's Anti-Corruption Policy for corporate transparency. The Audit Committee's report are sent to the Board of Directors by quarterly and/or requested. The summaries of the results are as follows:

1. Quarterly Statements of Financial Position and Annual Statements of Financial Position of 2018

The Audit Committee had considered the verification of the quarterly Statements of Financial Position and the annual Statements of Financial Position of 2018, with the cooperation of the Auditor and the Executives who were respon-

sible for the preparation of the financial report, by making inquiries and receiving the explanation concerning the accuracy and completeness of the Statements of Financial Position following the accounting standard. In addition, the Committee had considered the accounting amendment which had an impact on the significance of the Statements of Financial Position prior to submitting to the Board of Directors for approval. Moreover, the Audit Committee had met and consulted with the Auditor with no presence of the management at the meeting to acknowledge the opinion or remark concerning the procedure of the preparation of the Statements of Financial Position, the internal control of the accounting, and the disclosure of important information, adequate Key Audit Matters (KAM) of which were found no problem or abnormal transaction which were significant.

The Audit Committee opinioned that the aforementioned Statements of Financial Position were accurate in accordance with the important information of the general accepted accounting standard and had adequacy of the disclosure of important information.

2. Internal Control System

The Audit Committee had jointly verified the internal control system with the Auditor and the internal Auditor in every quarter. According to the report of the internal auditing result in 2018 following the assigned plan which covered important work system, there was no significant abnormality or deficiency found in the internal control system. The operations were authorized and approved in compliance with the stipulated principles. The Executives received an emphasis to improve as stated in the report of the internal

The Audit Committee Report

auditing results to increase efficiency and effectiveness.

The Audit Committee opinioned that the Company's internal control system was adequate and compatible with the Company's business and had a clear separation of the power and duty.

3. Compliance with the Securities and Exchange Law

The Audit Committee had reviewed the compliance with the Securities and Exchange Law, the notification of the Stock Exchange, and laws related to the Company's business, with the Internal Auditing Division and the Corporate Secretary Office of the Company, it was found that there was no significant matter of non-compliance with the laws.

4. Transaction with possible conflicts of interest

The Audit Committee had quarterly considered the verification of the transaction with connected persons or enterprises with the finding that the Company had followed the normal general trading agreement and the transactions provided the utmost benefit to the Company's business operation without any indication of abnormality and the disclosure of the Company's information was performed with adequacy.

5. Verification of the Risk Management

The Audit Committee had quarterly verified the progress of the risk management with the Risk Management Sub-Committee with the indication and categorization of the risk, risk assessment, the Company's internal and external risk management with the short-term and long-term planning, including the consistent monitoring and reviewing of the risk management.

6. Consideration and Nomination of the Auditor of 2019

The Audit Committee had considered the performance of the Auditor in the past period with the realization of reputation and creditability, professional

independency, service proficiency, consistently on time certifying of Statements of Financial Position, and the consultancy of accounting standard, and proposed to the Board of Directors for further approval to the shareholders' Annual General Meeting to appoint 1) Ms. Chonlaros Suntiasvaraporn C.P.A. Registration No.4523, or 2) Ms. Siraporn Ouaanunkun C.P.A. Registration No. 3844, or 3) Mr. Chatchai Kasemsrithanawat C.P.A. Registration No. 5813 of EY Corporate Services Limited as the Company's Auditor for 2019 in another term with the Auditing fee at a total of Baht 924,000 (Nine Hundred Twenty-Four Thousand Baht)

The self-assessment of the Audit Committee had compared the important activities of the Committee all with the Charter of the Audit Committee and the good guideline for practice, the result was at a good level.

In conclusion, the Audit Committee had opinioned that the Company's Statements of Financial Position had prepared in accordance with the general accepted accounting standard with appropriate and effective internal control system, the business operation had followed the regulations of laws, with suitable risk management, and the Audit Committee had completely performed their duties following the Charter of the Audit Committee stipulated by the Board of Directors.

(Mrs. La-aid Vongvongepop)
Chairman of Audit Committee

The Remuneration Sub-Committee Report

Dear Shareholders
Moong Pattana International Public Company Limited

The Remuneration Sub-committee of Moong Pattana International Public Company Limited is comprised of 3 independent directors, Mr. Manit Jeeradit as Chairman, Mrs. La-aid Vongvongpop and Mr. thaevan Uthaivath as Directors. The Remuneration Sub-committee performed its duties as assigned by the Board of Directors as specified in the Good Corporate Governance Policy and the Charter of the Remuneration Sub-committee, and notified to the Board of Directors. The main duties are as follow:

Consider the criteria for performance evaluating the Chief Executive Officer and the Joint-Chief Executive Officer

- Consider the salary and annual bonuses of the Chief Executive Officer and the Joint-Chief Executive Officer.

Review the Remuneration Sub-Committee Charter

- In 2018, the Remuneration Sub-committee held 1 meeting attended by all the Sub-Committee members. To fulfill its duties as assigned by the Board of Directors, the Remuneration Sub-committee had performed with prudence, carefulness transparency and took into account the utmost benefit of the Company and its shareholders.



(Mr. Mani Jeeradit)

Chairman of the Remuneration Sub-committee

General Information

Name	Moong Pattana International Public Company Limited (MOONG)
Registration No.	0107551000274
Type of Business	Distribute of Ownbrand product and the distributor of consumer goods
Capital Registered	170,254,253.00 Baht
Capital paid up	168,432,633 Baht
Year of Registered in mai	2552
Fiscal Year	1 January – 31 December
Head Office Location	2/97 – 104 18th – 19th Floor, Bangna Complex Office Tower, Soi Bangna-Trad 25, Bangna-Trad Road, Bangnanuea, Bangna 10260
Telephone	+662 020 8999
Facsimile	+662 020 8990
Warehouse Location	444/11 Moo 7 Bangpla, Bangplee, Samutprakarn, 10540 Bangkok
Company Secretary Contact	e-mail: company.secretary@moongpattana.com
Investor Relation Contact	e-mail: ir@moongpattana.com
Website	www.moongpattana.com , www.pigeonlittlemomentsclub.com and www.moong-shop.com

Registrar

Name	Thailand Securities Depository Company Limited
Location	93 the Stock Exchange of Thailand Building Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone	+662 009 9000
Facsimile	+662 009 9991

Auditor

Name	EY Office Limited
Location	193 / 136 – 137, 33rd Floor, Lake Rajada Office Complex, Ratchakapisek Road, Klongtoey, Bangkok 10110
Telephone	+662 264 9090
Facsimile	+662 264 0789 – 90

Company's Shareholding Position in Other Companies

Name	Thai Pigeon Company Limited (TP) Joint venture between Moong Pattana International PCL. and Pigeon Corporation (Japan)
Type of Business	Produce and distribute baby products under Pigeon Brand such as nipples, nursers and plastic parts for local and international markets.
Location	944 Moo 15 Theparak Industrial Estate, Bang Saotong, Samutprakan 10540
Share Information	47% of registered capital or 573,400 shares of 1,220,000 shares at Baht 100 per share

Name	Yoshino Moong Pattana (Thailand) Company Limited (YMP) Joint venture between Moong Pattana International PCL., Yoshino Kokusho (Japan) and Nomura Jimusho Inc. (Japan)
Type of Business	Produce plastic products and packaging such as spray pumps for liquid products, bottle packaging and coated plastic.
Location	103/1 Moo 5 Wellgrow Industrial Estate, Bangna-Trad Road, KM 36, Bangsamak, Bangkok, Chachoengsao, 24180
Share Information	6% of registered capital or 180,000 shares of 3,000,000 shares at Baht 100 per shar

Name	Pigeon Industries (Thailand) Company Limited (PIT) Joint venture between Moong Pattana International PCL. and Pigeon Corporation (Japan)
Type of Business	Produce and distribute breast pads, baby wipes, and baby bottle and nipple liquid cleanser.
Location	700/103 Moo 1 Amata City Industrial Estate, Bangkok, Panthong, Chonburi, 20160
Share Information	2.5% of registered capital or 360,000 shares of 14,400,000 shares at Baht 10 per share

Pigeon Corporation (Pigeon Corp)

Pigeon Corp is the manufacture, sales, import and export of baby and child care products, maternity items, women's care products, home healthcare products, nursing care products, including operation of child-minding centers.

At the Pigeon Group, our mission is to bring joy, happiness, and inspiration to babies and families around the world by providing them with products and services that embody our Corporate Philosophy of "Love." For more than 50 years since our foundation in 1957, we have evolved in tandem with the babies we serve. Now, we are deepening our research related to suckling and other elements of a baby's growth, as well as into the ageing mechanisms of the elderly. In the fields of pregnancy, Infant, Child rearing, and elderly care, we deliver products and services that resolve customers' anxieties and enrich their lives. In these ways, our oriented business is to raise corporate value in order to become the "Global Number One" manufacturer of baby and child care products.

Thai Pigeon Company Limited (TP)

With the official authorization from Pigeon Corp, as the manufacturer of baby bottles, nipples, and plastic products, TP operates in manufacturing of "PIGEON" silicone nipples, baby bottles, baby plastic products with the first being manufactured and distributed in various sizes and models as required by Pigeon Corp; such as, Classic Silicone Nipples, Breastfeeding Nipples, and Mini Breastfeeding Nipples.

PP (Polypropylene) and PPSU (Polyphenylsulfone) are plastic baby bottle capable of being manufactured in all sizes with required Food-Grade determined materials being non-toxic to babies directly imported overseas, technology-advanced machines from abroad, sanitized and hygienic production, staff full with expertise in each of the dust-prevented production steps, quality outputs

being validated and selected without defects, and the sizes, volumes, and durability being controlled by Pigeon Quality Standard (PQS) in detail throughout the process. Pigeon nipples are certified by Thai Industrial Standards Institute (TISI) and Japanese Industrial Standard (JIS), the primary standard in Japan on baby bottles, nipples, and many other products.

The JIS, presently, is jointly determined by the Japanese government and Pigeon Corporation, who is also regarded as the pioneer of the product group in Japan. Through standardized operations and productions, TP has been certified as follows:

- ISO 14001: Certification of Environmental Management by MASCI in 2008; being recertified in 2015
- ISO 14001: Certification of Environmental Management by MASCI in 2008; being re-certified in 2015
- ISO 9001: Certification of Quality Management by MASCI in 2008; being re-certified in 2015
- GMP (Good Manufacturing Practices) by MASCI since 2010 and currently on-going
- TIS 18001 and OHSAS 18001 Occupational Health and Safety Assessment Series by MASCI since 2011 and currently on-going
- TLS 8001 - 2010 Thai Labor Standard from Department of Labor Protection and Welfare in 2013 and currently on-going
- Authorized Export Operator (AEO) by Thai Customs since 2013 and currently on-going
- ISO 50001 Energy Management System by MASCI since 2015 and currently on-going
- HALAL Requirement by the Islamic Committee of Samutprakarn since 2015 and currently on-going
- TP was awarded a Certificate of Board of

Key Partners

Investment of Thailand on December 14th, 1999, and July 22nd, 2011, and granted ownership of the lands and exemption of import duties for raw materials.

- CSR-DIW continuous and Green Industry Level 4 by Department of Industrial Work
- Thailand Quality Prize: Junior by Technology Promotion Association (Thailand-Japan, TPA)
- Zero Accident Campaign: Silver Level and National Outstanding Workplace in Safety by Department of Labor Protection and Welfare

Pigeon Industries (Thailand) Company Limited (PIT)

PIT is a joint venture between Pigeon Corp and Moong Pattana International Public Co. Ltd. with the primary products being produced by PIT and classified in three categories:

1. Baby Wipes: alcohol- and perfume-free cloths for cleaning facial skin, arms, and other body parts of babies and adults with the fabric being thick and extremely soft capable of being applied as frequently as needed and available in mosquito-preventing version and in conveniently compact packages.

2. Disposable Breast Pads: made of materials which had been researched and tested by Pigeon Corp, the pads absorb excessive milk, are secured in every movement, and prevent side-leaking with two adhesive tapes for slip-prevention when in use.

3. Bottles and Nipples Cleaning Solution: 99.99% bacteria-deterred formula mild to babies invented by Pigeon experts effectively accessible into all area unlike water or any other utensil cleaning solution incapable of completely ridding milk stain or protein off baby bottles

PIT is the production base for the baby wipes and disposable breast pads and has officially been certified by Pigeon Corp. Exclusively, the Company is the sole distributor of PIT products in Thailand.

In addition, PIT has been awarded National Outstanding Workplace by Department of Labor Protection and Welfare for 16 consecutive years and Authorized Export Operator (AEO) Certification by Thai Customs as the exporter credibly in security protection all the way to destinations.

Yoshino Moong Pattana (Thailand) Company Limited (YMP)

Yoshino Moong Pattana (Thailand) Co. Ltd. (YMP) is the joint venture between Yoshino Kokusho (Japan), Nomura Jimusho Inc. (Japan), and the Company operating in manufacturing, locally and internationally, of plastic packages, parts, and plastic parts such as sprayers, pump valves, and shampoo bottles, etc.

To meet customer satisfaction and worldwide requirements, YMP leverages manufacturing machines and equipment with advanced technology and is comprised of departments in productions, assembly, quality controls, logistics, and customer service at professional level. In response to the growing demand from customers, YMP expanded its manufacturing plant in 2014 and invested in additional machines imported from Japan worth 144 million Yen in 2015 along with another 52 million Baht for installing machines and improving the plant area. Exclusively, the Company is the sole distributor of YMP products in Thailand.

Company History and Significant Developments

Moong Pattana International Public Company Limited (former name: Moong Pattana Marketing Company Limited) was established on 29 January 1981 by Mr. Sumeth Lersumitkul with the registered capital of THB 10 million to operate the business of importing and distributing the qualified kitchenware. In 1988, the Company was exclusively granted a license to produce, use, and sell the products under the Trademark named Pigeon in Thailand. Pigeon is the number one of mothers and baby products from Japan. With the knowledge and experience of the management, the Company consecutively has significant developments which shall be summarized as follows:

1981	Established by Mr. Sumeth Lersumitkul under the name “Moong Pattana Marketing Company Limited” with the registered capital of THB 10 million and THB 100 per share.
1988	The Company was the only company in Thailand that has been granted the license to produce, use and sell as well as apply the Trademark named Pigeon from Pigeon Corporation Japan.
1990	The Company entered into a joint venture with Pigeon Corporation to establish Thai Pigeon Company Limited (“TP”) with the objective to produce and distribute nipples and nursers, and plastic parts for local and international market. TP was first registered with THB 20 million of capital, with 200,000 units of shares, 84,000 shares of which the Company holds, or 42% of the issued and paid-up capital.
1992	The Company increased the registered capital to THB 50 million at THB 100 per shared value and 500,00 shares in total for business expansion.
1994	The Company entered into a joint venture with Yoshino Kokusho (Japan) and Nomura Jimusho Inc. (Japan) in order to set up Yoshino Moong Pattana (Thailand) Company Limited (“YMP”). YMP is established to set up the factory to produce the plastic wares such as the spray pumps for liquid products, bottle packing and coated plastic. YMP was first registered at THB 125 million, with 1,250,000 numbers of shares, 437,500 shares of which was held by the Company, 35% of issued and paid-up capital.
1996	The Company entered into a joint venture with Pigeon Corporation to establish Pigeon Industries (Thailand) Company Limited (“PIT”) with the aims to produce and distribute breast pads and baby wipes. PIT first registered capital was THB 12,000,000 shares, 1,200,000 shares of which the Company owns 10% of issued and paid-up capital.
1998	TP increased capital from THB 20 million to THB 122 million or 1,220,000 shares in total for the purpose of expanding production capacity. The Company increased its stake in TP to 47% of issued and paid-up capital, or 537,4000 shares held.
2000	PIT increased its capital from THB 120 million to THB 144 million, or 14,400,000 shares for factory expansion. The Company sold back 840,000 shares to Pigeon Corporation and did not acquire new share capital, resulting in a decrease in PIT shareholding to 2.5% of issued and paid-up capital.
2001	YMP increased the registered capital from THB 125 million to THB 300 million equaling to 3,000,000 shares for the purpose of expanding the factory. The Company had sold back 287,500 shares to Yoshino Japan and bought only the handful new shares, resulting in the shareholding structure in YMP decreasing to only 6% of issued and paid-up capital.

Company History and Significant Developments

- | | |
|------|--|
| 2006 | The Company held the Extraordinary Meeting No. 1/2006 dated 21 May 2006. The Board has resolved pay the dividend of THB 115 million. |
| 2007 | The Company acquired the Smile V, Smart V and V care brands from Misis Company Limited (“Misis”) which are the daily consumer products. Misis had formerly distributed for the Company in the up-country and had no other relationships with the Company which may create a conflict of interest. |
| 2008 | <p>The Company had received the certification of ISO 9001: 2000 from United Registrar of Systems (Thailand) Company Limited in January 2008.</p> <p>The Company held the Extraordinary Meeting No. 2/2006 dated 18 March 2008. The shareholders resolved to increase the registered capital of the company and request for the paid-up shares in the amount of THB 40 million, resulting in the paid-up capital of the Company increased from THB 50 million to THB 90 million. In addition, the shareholders approved to pay the dividend of THB 60 million.</p> <p>The Company held the Extraordinary Meeting No.5/2006 dated 29 August 2008, and resolved to transform to the Public Company Limited and changed the name to “Moong Pattana International Public Company Limited”. The value of the share was changed from THB 100 per share to THB1 per share. There is also the resolution of increasing the registered capital from THB 90 million to THB 120 million by issuing 30 million ordinary shares for the initial public offering and the resolution of payment of dividend of THB 21.6 million.</p> |
| 2009 | The Company signed a distribution agreement with P.I.P International Company Limited to distribute exfoliating foot pack under the brand “Revival Care”. |
| 2011 | The Company signed a distribution agreement with Thai Multiply Company Limited, Sirimongkol Intertrade Company Limited, Thaijintan Company Limited and 4Care Company Limited to be the distributor of the products under the trademark named, “YURA”, “BR”, “Jintan” and “4CARE” respectively. |
| 2011 | The Company had introduced the project, “Pigeon Little Moments Club” which is a communication channel for customers in order to provide the advice of raising baby or the product information. In the same year, the Company had cancelled the distribution of the products under the brand, “Jintan”. |
| 2015 | <p>The Company increased the registered capital to be THB 200 million with the THB 1 value of share in the amount of 200 million shares in order to expand the business. The details of the capital increasing were:</p> <p>Issued 24 million ordinary shares, which was comprised of 200 million shares in order for the exercise right of the warrant under MOONG-1. During 2015, the warrant to purchase ordinary shares was converted in the amount of 215,800 units.</p> <p>Issued ordinary shares for the capital increase in the amount of 5 million shares in order for the exercise right of the warrant under ESOP (not yet started the project).</p> |

Company History and Significant Developments

	<p>Issue ordinary shares for capital increase in the amount of 24 million shares to offer to the existing shareholders in proportion to their shareholding (Right Offering) which are all paid up.</p> <p>Issue ordinary shares for capital increase in the amount of 27 million shares to offer as a private placement to investors (not yet started the project) including debenture Project THB 500 million (not yet started the project)</p>
2016	<p>The Company decreased the registered capital from THB 200,000,000 to THB 167,999,968 by cancelling 32,000,032 unsold ordinary shares in the amount of THB 1 per share. Notwithstanding, the ordinary shares being reserved for exercise right of the warrant under MOONG-W1 in the amount of 23,784,184 were not cancelled.</p> <p>After that, the Company increased the registered capital from THB 167,999,968 to THB 213,488,988 by issuing new ordinary shares in the amount of 45,489,020 shares which subjected to the value of THB 1.00 per shares with the following details:</p> <ol style="list-style-type: none">1. Issue ordinary shares by specifying purpose in the amount of 2,224,285 shares in order to reserve for the rights of warrants holder of ESOP in the amount of 2,000,000 shares as well as MOONG-W1 in the amount of 224,285 shares.2. Issue ordinary shares for the capital increase under General Mandate in the amount of 43,264,735 shares to offer to the existing shareholders in proportion to their respective shareholding (Right Offering)
2017	<p>The Company decreased the registered capital from THB 213,488,988 to THB by cancelling 43,264,735 of the authorized but unissued ordinary shares at par value of THB 1.00 each.</p> <p>Later, the Company increased its registered capital from 170,224,253 to THB 170,254,253 by issuing 30,000 new ordinary shares at a par value of THB 1 each, in order to reserve for the rights of warrants holder of MOONG-W1.</p> <p>The Company has launched its online store at www.moong-shop.com and another distribution channel through Foodservice.</p> <p>The Company has been officially appointed to distribute Pigeon products in Lao People's Democratic Republic.</p>
2018	<p>The exercise of the holder of warrant of MOONG – W1 which was last exercised on 1st June 2018, was summarized to exercise the right in the amount of 2,316,535 units representing the number of the all exercised right of 2,339,889 shares.</p> <p>At present, the company has it registered paid-up capital from the capital increasing resulting from the exercise of the holder of the warrant of MOONG – W1 and ESOP as the paid-up capital in the amount of THB 168,639,633.00, par value of THB 1 per share.</p>

Overview of Business Operation

Moong Pattana International Public Company Limited former known as Moong Pattana Marketing Company Limited was established in 1981 and operated in importing and distributing quality kitchenware. In 1988, the Company was granted the right to manufacture, use and to be an exclusive distributor in Thailand of products under the trademark, “Pigeon” which is the number one brand of mother and baby products from Japan.

Renowned for its expertise and experiences in brand management and nationwide network of distribution channels in Thailand, the Company expanded the distribution business and was appointed to be the distributor of other products aiming to generate into the market in Thailand, Cambodia, Laos, Myanmar and Vietnam, resulting in the Company possess greater number of distributed products and constantly grows in the business.

Currently, the Company operates in 3 main businesses as follows:

1) Own brand:

- V care; cotton pads, wipes, toothbrush and foam soap products
- Foggy: spraying bottles products
- Smile V: spraying bottles products

2) Distributor Business: resulting from the Company’s expertise in marketing through brands management which distributed by the Company to raise market awareness and consistently maintain target groups’ loyalty in the products and brand via marketing activities and distributing through nationwide channels to include Modern Trade, Traditional Trade, Cash Van, and other such as Food Service and E-Commerce, etc.

3) Joint venture Business: In addition to operating in the distribution business and being the distributor of consumer products, the Company also engages in three joint-ventures i.e. TP, PIT and YMP in which the Company holds the equities of 47%, 2.5% and 6% respectively. As a result, the Company was authorized as the sole distributor in Thailand of the joint ventures’ products and has been receiving the returns through the dividends.

Overview of Business Operation

The Company aims at the distribution of the consumer products and focusing in these 4 core groups as follows:

1. Baby and Mom Product

Pigeon – high quality mother and baby aged 0-3 year products from Japan;

Splash About – swimwear and swimming aids for babies and kids from United Kingdom;

Ai-oon – butterfly pea baby hair serum and snow lotus balm;

2. Personal care & house hold Product

V care – wipes, cotton pad, cotton buds and cotton balls toothbrush;

Jordan – oral care products, toothbrush, dental floss toothpaste;

Tree herb – herbal toothpaste;

Hero – garbage bag, zippered bag and plastic bag;

Mossi Guard – mosquito repellent patch and spray;

Mozz – soothing cream with natural extract reducing rashes, scars urticaria, acne, swelling, redness and dark circles;

Polar Spray – Eucalyptus air spray refreshener;

Plante – Shampoo for white hair (5 minutes);

Foggy – Spraying bottles

Smile V – Spraying bottles;

Dr. Temp – Cool gel patch reducing heat, fever and relieving headaches;

Bio-women – hair serum;

3. Food and Beverage Product

Iyara – Ma Waeng cough syrup;

Big Foot – Sour plum candy and sour power, lollipop for kids;

Cal-Ups Choco – Calcium supplement chewable tablet, chocolate flavor;

Himalaya – Salt lemon candy and mint candy;

Vita-C – Multi-fruit gummy with vitamin C;

Forest – fruit jam formula;

4. Senior Product

Mumu- Adult diapers

Overview of Business Operation

In 2018, the Company was entrusted by the manufacturer and the owner of the products to be the distributor of the following products:

Big Foot	Lemon candy
Ai aoon	Butterfly pea serum
Himalaya	Salt lemon candy and mint candy
Biowoman	Hair serum

Overview of Business Operation

Distributor brands	Ownbrand	Distributor brands
2018	  	  *
2018	 ***	 *
2018		    *
2018		  *
2018	  	 *
2018		 ** 
2018		  *  
2018	 	  
2018		         
2018		   

Business Strategies of the Company

In 2018, the overall Thai economy was projected to rise by 4.2% by increasing from the previous year to 7.6%. Due to the recovery of the world economy in the first and second quarter and the tourists visit from China and Asia region, causing Thai exports to improve even though they slowed down in the third and fourth quarter. In addition, there are the factors supported by the accelerated expansion of the consumption and private investment, resulting in the business in the Company grow by 13.7%, with the total revenue of THB 1,020.6 million.

The Company implemented sales and marketing strategies by focusing on quality health and wellness

related products. related products. The Company has provided and sold new products that meet the needs of the consumers through the distribution channels that cover all areas by managing the delivery of the products efficiently and quickly. There are more marketing activities that reach new consumers via online media. Sales promotions activities have been held continuously to stimulate consumer purchases. In addition, the Company also pay attention to the development of the Company's employees in order to work efficiently and understand the needs of customers and partners in order to build lasting relationships.

Revenue Structure of 2016-2018

Revenue Type	2018		2017		2016	
	MB	%	MB	%	MB	%
Mothercare & Baby Products	701.0	68.7	627.6	71.1	567.1	71.8
Consumers Products	177.7	17.4	167.3	18.9	136.4	17.3
Plastic & Packaging Products	0.0	0.0	0.5	0.1	0.5	0.1
Share of Income from Investment in Associated Company 1)	90.0	8.8	66.6	7.5	67.1	8.5
Dividend Income 2)	6.6	0.6	6.3	0.7	4.7	0.6
Others 3)	45.3	4.4	14.7	1.7	14.2	1.8
Total Revenues	1,020.6	100.0	883.0	100.0	790.0	100.0

Remarks:

1. Share of income from TP
2. Dividend income from YMP and PIT
3. Others – Rental Income, Commission Income, Profits on Asset Disposals and Profits on Foreign Exchange.

Product Portfolio under Ownbrand

1. V care: Personal Care Products

Currently, the group of products under the brand V care which the Company develops and manages the marketing and the distributing are as follows:

Cotton products

Natural cotton



Skin Care cotton



Wipes products

Multi-purposes wipes



Adult wipes



Toiletries products

Foam soap



Toothbrush products

Kids toothbrushes



Adults toothbrushes



Product Portfolio under Ownbrand

Competitive Strategies

The Company focuses on developing V care brand to be strong and well-known with the innovative products developed from insight of consumers needed. The brand has its selling point and is outstanding compared to the same product group in the market. Not only a high-quality product but also support the lifestyle of new generation consumers and fulfil the needs of the target groups who are the decision makers for buying products for themselves and family, whether it is a cotton, wipes, toothbrush and the new products – foam soap.

In 2018, the Company reinforces and promotes the brand building as well as elevating the market position of V care Brand in overall prospect with the continuous media and marketing activities. Focusing on promoting the image of the personal product, the Company communicates the products as V care brand together under campaign #vcarethailand (#ที่เห็นว่าเยอะที่จริงเราแคร์) which has a different communication style from other competing brands in a similar product in order to become the top brand in mind of the personal products.



The advertisement features a smiling woman with several sticky notes on her face, each with a Thai phrase. To her right is the V care logo. Below the logo is the text: **เยอะแค่ไหน... ก็ไม่เป็นปัญหา สำหรับวีแคร์ เพราะเราดูแล แคร์ทุกผิวสัมผัส**. At the bottom, there is a collection of V care products including hand soap, cotton pads, and wet wipes. The hashtag #ที่เห็นว่าเยอะที่จริงเราแคร์ and the Facebook handle f: Vcarethailand are at the bottom left.

Sticky notes on the woman's face:

- บนหน้า: รังนก 15 ชิ้น ตานขาว
- แก้มซ้าย: แก้มซ้ายเยอะ ก็ต้องแก้เยอะสิ
- แก้มขวา: อย่าน้ำที่ ต้องตามหัว
- คาง: เช็ดทุกอย่าง เช็ดทุกวัน
- คอ: มืออะนิบอย ก็กินไอศกรีม
- อก: ทุกอย่างต้องนวด ธรรมดาสิ
- ขา: น่องต้องดูแล ขอบเข่า เอว ปกถึงขาต้น

Products shown:

- V care Hand Soap
- V care Cotton Pads
- V care Cotton Suds
- V care Extra Large Wipes
- V care Extra Soft Wipes
- V care Baby Wipes

Text at the bottom: #ที่เห็นว่าเยอะที่จริงเราแคร์ f: Vcarethailand

The Communication and the market activities during the past years focused on building relationships consecutively with the consumers via online media especially social media such as; Facebook and Instagram in order to easily access to the modern consumers at any time. Emphasizing on the modernity and promptness of activity, content and attractive promotion all the year, resulting in receiving the good feedback of the overall of communication through all channels.

Product Portfolio under Ownbrand

To emphasize the brand of personal care products to be more explicit, in the past year, V care expanded the products in this category to satisfy the various requirements of the consumers to use the cotton, wipes and toothbrush products, including the new products such as foam soap.

The new cotton products are cotton pad pack 110 g. in which to satisfy the family uses with the product innovation that makes the cotton being gently touched, thick, soft, have the quality to compete as well as Jumbo cotton pad which focusing on the use of mothers and baby. Not only be the cotton with its quality but also being used to clean the baby thoroughly on once sheet with the size of 3x4 inches.



Multi-purposes Large Cotton Pads



Jumbo Cotton Pads

New wipes products are the 99% Pure Water Adult Wipes which created to support the growing elderly market and the Anti-Bacteria Multi-Purposes Wipes pack 18 pieces to build on the success of the normal pack 50 pieces which obtain a good response on both quality and price.



99% Pure Water Adult Wipes



Anti-Bacteria Multi-purposes wipes

Product Portfolio under Ownbrand

The new products in the category of the toothbrush are launched to increase the various option to the consumer with the new colorful packaging of For Fun Kids Toothbrush and the Adult toothbrush in valued pack



For Fun Kids Tooth Brush



Adult Tooth Brush

In addition, V care has expanded the new product group with Foam Soap which presents the innovation of fine-grained bath foam whip with deep cleaning features and meets the needs of modern consumers. This also helps to make the brand image of personal products to be more explicit.

The Communication and marketing activities including the launch of the new products in the past year results in Vcare brand is being known among the consumer groups spreading. The media that reach consumers make brand awareness. A product trial resulting in all product groups of Vcare continually grew and had the sale increasing significantly in the second half of the year. This makes the overall sales of the year grow by 12% from 2017 and the market shares of cotton pad market value have increased from 3.3% in January to 4.3% last December. Vcare cotton pad becomes the 5th market share among cotton pad brands. Furthermore, Vcare wipe products have significant growth, resulting in the market shares increase from 3% to 4% in last year and trend to see continuous growth. The new product of Vcare wipes is a major factor of Vcare brand to continue gain more market share in Thailand.

Product Portfolio under Ownbrand

Distribution Channels

The Company distributed the products under the brand V care through the stores all over the country by the main channels i.e. Modern Trade, General Trade which consisting of the small retailer or distributors in every regions of Thailand and other developing channels which meet the needs of the consumer which is rapidly changes in present i.e. specialty shop, beauty stores, hospital, beauty centers, aged home care including the export and distribution via e-commerce of the Company via www.moong-shop.com which is popular among new generation consumers due to its convenience, fast and all-time purchasing

Household products – Foggy and Smile V

Household products distributed by the company are Foggy spraying bottle and Smile V spraying bottle. The Company distribute and manufacture foggy and registered the trademark, Foggy and Smile V. It is also the first manufacturer in Thailand that is interested in developing spraying products. Foggy brand has been accepted for 30 years in terms of quality especially the nozzle that has been developed to be able to use variously and be durable.



Foggy Spraying bottle



Smie V Spraying bottle

Product Portfolio under Ownbrand

Competitive Strategy

Regarding the spraying product group, the Company places the Foggy at a premium level. There are many models of the products which are suitable for both heavy industry and general use. Foggy Duty focuses on marketing the consumers who require good quality and durable products; such as, laundry, car wash business. Foggy Multi focuses on restaurant, beauty salon, gardening business. In 2018, the Company has launched the new product, Foggy Slim, to expand the customer base and new modern and convenient application with its compact size

Smile V is another brand of spraying bottle which the Company concentrates on the mass market, with affordable prices, the variety of designs, focus on product distribution thoroughly. In the past year, the new products have been released as well by emphasizing a new patterned cylinder to help stimulate sales for the product group as a whole.



Foggy Slim Sprayer



New Package of Smile V

Distribution Channels

The Company distributes the products via the stores in all over the country including industrial channel and various businesses.

Product Portfolio under Distributor business

Pigeon Brand

Pigeon products have outstanding in product innovation, continuous research and product development from the experts who work under the concept Philosophy of LOVE. This is because Pigeon brand focuses on the pure love of mother and child and is committed to helping mothers to deliver love to their babies through the use of baby products with high quality and meticulously made in order for raising the baby smoothly and happily.

Products under Pigeon brand in Thailand have been classified into 8 categories that are Feeding Accessories, Baby Wipes, Mother Care & Accessories, Weaning & Accessories, Health Care & Hygiene Care, Toiletries & Skincare, Pacifier & Teether, and Cleansing and Sterilizing Accessories and have covered all demands of mothers and have answered the baby development.

Competitive Strategy

Pigeon brand has been a leader of mothers and baby products market for a long time. The strategy of the leader which is implemented is creating products innovation to the market and focus on the needs of the consumer as a key. Pigeon is a well-growing brand even in the situations where the birth rate in each year is declined resulting from its new innovations that help increase value added and create sustainable growth.

In the past year, Pigeon has increased the market share +3% from 38% to 41%. The Peristaltic Products was increased from 47% to 50% and the Milk Bottle Products was increased from 34% to 38% which made Pigeon remain as a market leader and have a strong position to drive the market. Furthermore, Pigeon product has expanded the distribution channels for baby wipes products in more than 16,000 convenient stores such as 7 Eleven, Family Mart, Mini Big C and etc. which expand the opportunity of the consumers to appreciate and purchase the Pigeon Baby Wipes easier.



Baby Wipes Chamomile Pack 20 Pcs. Products are sold in 7-11 and convenience stores in nationwide.

Product Portfolio under Distributor business

With trust from Nok Scoot Airline, Pigeon Baby Wipes Hand & Mouth Products which containing 100% Food grade were selected to distribute for the passengers of Nok Scoot Airline every flight. Pigeon products are able to fulfil the demand with regard to baby cleaning in every situation.



Pigeon Baby Wipes Hand & Mouth distributed in every flight of Nok Scoot Airline

The Company has launched the new outstanding products in 2018 - Manual Breast Pump which have affordable price and fulfil the demand of breastfeeding mothers , Baby Foam Soap which reach mothers' requirements for new-born baby with Sakura extract that is gentling for baby skin and the pump bottle type to be easily used and deliver a good mood available from birth, Baby Milky Lotion Sakura Extract which are gentling to skin and quickly absorb, and Infant Tooth Wipes for the mothers who want to ensures hygiene of the baby with the high quality and safety products.



Infant Tooth Wipes

Product Portfolio under Distributor business

Pigeon has communicated to the consumer through a marketing campaign, “Two Meet You The Lovelity” presenting a true story of the first-time parents when a new member was born by Two Popetorn, the famous singer, along with his wife. Both recounts the story of being the new parents such as how to prepare until the moment of an impression during giving birth and after birth care. This campaign received good feedback and attention throughout the project from the target groups. Pigeon also communicates by providing the knowledge regarding the products and the care for the pregnant mother and newborn mother. The consumers follow along with the project and have more relations with the brand.



Regarding the marketing communication channel, the brand has communicated through online media including the influencers pages and social media entirely to fulfil the new generation mothers' lifestyle which normally accesses to the online media.

Another important strategy is that the deep relation bonding with the consumers via Pigeon Little Moments Club, the club for mother taken care by Pigeon. Pigeon also gives the advice on how to take care of herself and the baby to the mothers, provides useful product information, arranges the interesting activities for the mothers which cannot be found in anywhere else. This cause love, bonding and delivery of impressive story among the mothers. It is a mothers' community which is strong, energetic, and supportive to brand with its own will.

Distribution Channels

The distribution of the Pigeon products is covered in various channels such as, Modern Trade, Traditional Trade, exhibition booth, the export to Laos, and the new significant channel that is E-Commerce via www.moongshop.com which created by the Company to facilitate the consumers to purchase the products of the Company easily.

Product Portfolio under Distributor business

Marketing Activities and CRM

Other than the marketing communication and the activities provided to the consumer, Customer Relationship Management activity is another strategy focused by the Company. The Company has organized the activities under the named “Pigeon Little Moments Club”, bonding from the true love and loyalty, in order to create the bonding and relations from the member as well as the loyalty to the products under Pigeon brand. The amount of the member of the club is consistently increased. The Brand organized the Workshop providing the knowledge to the member along the year in the hospital as well as the activities educating the member regarding the pregnant mothers, the breastfeeding including the various developments of the baby in each age. These activities are interested in more than 2,000 family members. Moreover, the membership of Pigeon Litter Moments Club will have the special privileges to have a consult of baby and themselves caring from the specialist doctors and to join other activities created by brand for the relationship bonding between brand and its customers.

“Pigeon Little Moments Club” also creates the warm social community to easily have an access to the lifestyles of new generation parents by communicating through online channels i.e. Facebook Fan page, Instagram, Line@, Website and YouTube, and provide many activities to the member as well as the useful articles to its members along the year.



Product Portfolio under Distributor business

With the awareness of the importance of breastfeeding, Pigeon also carries out the activities to support the breastfeeding in Thailand and is considered as the first private sector which campaign and support the breastfeeding earnestly via various marketing activities inspiring and encouraging the mother to have breastfeeding on their own. The Company has organized the project, Thailand Breastfeeding Day by Pigeon empowering mothers to achieve a new record in breastfeeding in Thailand Records. This activity is held for the 4th consecutive years. In 2018, there were 1,120 mothers and kids from all over the countries that participated in this activity. It is another project that emphasizes the specialty and the leader supporting the breastfeeding of the Company in Thailand. Besides the good information received from the specialists, the atmosphere of the activity is full of love, warm and impression shared by all families. This project has been received the attention of the parents in Bangkok and upcountry for over 4 years.

At Royal Golden Jubilee Building, Soi Soonvijai



The warm atmosphere of the event

Sustainable Development Report

The Company has carried out business with concern for economics, social, community, environment and all involved parties. Creating Shared Value Sub-committee determined policy and procedures to creating shared value into day-to-day operations of the Company's as well as notified all employees, partners and the relevant companies.

Since 2014, the Company has continued making the Sustainable Development Report by separate it from the Annual Report. Later, the report has been started to implement in compliance with the Global Reporting Initiatives (GRI) since 2017.

Risk Factors

Adhering to enterprise risk management philosophy, the Company has determined practical scope of risk management which includes acceptable risk-encountered strategies and plans for all parties in short, medium, and long terms, leading to concrete risk controls, monitoring and quarterly reporting, at the minimum to the executives and board of directors in order to ensure that the Company is able to prevent and reduce risk including the uncertainties that might possibly impact the Company's goal and business strategies as well as restore the operation to the normal condition under a short period of time.

In 2018, the Company continued to place emphasis on the development of information system to provide responsive and convenient services; lower selling and general administrative expenses; and enter the digital age to support foreseen business growth. As the result, the Company has developed risk management plan as follows:

1. Strategic Risks

1.1 Risks from Reduced Birthrate

Thailand has been experiencing an average of 3.8% annual decline in birthrate since 2013, from the population of 702,755 in 2017 to only 666,109 in 2018, and the downward trend is expected to continue, directly contributing to the decreased demand for mother and baby care products. Nonetheless, the need for higher-quality, innovative and safe products for both baby and new generation mothers has risen, resulting into the Company consistently sourcing for the new products to propel products variety to meet the needs of modernized mothers who pay attention to quality, safety, and the babies' health as it can be seen from the increase of income from the mother and baby products for years and no impact from the reduced.

1.2 Risks from Business Competitions

The Company operates the distribution of Ownbrand product and is a distributor of consumer products which is acknowledged for good and effective management. The products are consumer products, food and beverage products which are very competitive products in the industry and tend to continually grow every year resulting in intense competition in distribution services or of being a distributor. The Company foresees the need to constantly enhance its competitiveness by expanding the distribution channels in order to respond to the expanding market of target groups to drive revenues and concentrate on small and mid-size businesses which are expanding into other regions domestically and internationally, specifically the CLMV.

The Company, therefore, has been focus on developing and sourcing the new products under its own brand and subsidiary brand, raising the variety of distribution channels to support new products from the manufacturer or product owner, keeping bonding with and building loyal customer base, creating effective sales and operations plan and ensuring execution as arranged, developing survey on satisfaction toward the Company used for operations improvement to proficiently meet the expectation of the product owners, building the CRM network to raise awareness of the Company and promoting the Company's image as a reputable and reliable agent in the market, optimizing information system to be more efficient and better fit to the business of the Company, and setting the inventory system to be suitable to the business of distributing agent in both cost and performance.

1.3 Risks from Dependency upon Pigeon Corp, the Manufacturer and Brand Owner of Pigeon

In addition to operating business as the sole distributor in Thailand of mother and baby care products, branded "Pigeon", since 1988, the Company also

co-establish Thai Pigeon Company Limited and Pigeon Industries (Thailand) Limited to manufacture “Pigeon” products for the Company to distribute it domestically. In 2018, revenues from “Pigeon” product were accounted for 79.5% of total revenue, a reduction from 80% in the past, the Company still depended upon the “Pigeon” brand. On the other hand, has been retaining strong relationship for a long time, and with “Pigeon” products constantly increasing in sales, the Company was trusted by Pigeon Corp and appointed to be an exclusive distributor of “Pigeon” products in Lao People’s Democratic Republic in 2016. This represents the good relationship between the Company and Pigeon Corp. However, dependency upon Pigeon Corp can possibly impact business growth in the future. The Company, therefore, develop new products under the Company’s brands. As it can be seen that the proportion of the distribution of the products under the Company’s brands is increased respectively, 12.1% in 2018. In addition, the Company has also been operating in distribution the consumer products under other brands besides “Pigeon”

1.4 Risks from being distributor of consumer products

The Company operates the business of distribution and is the distributor of consumer products by purchasing from the product owner and selling to the retailers through many channels; such as the super store, the department stores, the convenience stores, or standalone retailer in Bangkok and other provinces. The products distributed by the Company are the products which the Company cooperates with the brand owner to create the marketing plans and promotions as well as driving the products to the store. The Company, therefore, pay attention to the cooperation with the brand owner closely, the creation of the conditions of product distribution including explicitly setting the role and responsibility of each party in order to make the distribution reach the target and create a win-win situation.

2. Operational Risks

2.1 Risks from Delay in Recruiting Qualified Manpowers to Join the Company

Thailand’s economy has experienced a long drought of government and private investment, leading to the production of human resources which is not matched to the needs in the labor market. As a result, skillful, experienced and qualified manpower has been highly in demand. The recruitment of such to fill in the organization structure has become challenging and have taken certain time, resulting in the possibility to sway the business growth off schedule and plan. To mitigate the risk, the Company strategized for recruitment in advance, inquiring for potential hires in vast channels, keeping the database of applicants to accelerate the selection process in both replacements of existing positions and new recruits for department expansion. Meanwhile, personal development has been in place for existing workforce to enable enhanced skills to the point of being capable of assignment coverage or sudden support during the lack of manpower, which includes in-house training to raise acknowledge, comprehension and expertise in the Company’s products and services, constant evaluation process, search of business partners in training, developing of interns with the attempts of turning them into full-time.

2.2 Risks from Using Single Provider of Warehouse and Logistics Services.

The Company uses the single provider of warehouse and logistics service, resulting in cost controls in storing and managing inventories and potential risk of ineffective warehouse management performance by the provider negatively impacting product lead time and managing warehouse becoming overkill in expenses. The Company, therefore, has been closely evaluating the performance of the warehouse provider, putting in place data monitoring system against losses of products

Risk Factors

and establishing and evaluating operational KPIs of the provider to be as agreed. Furthermore, the Company has concurrently been comparing the in-contract warehouse provider with others in the market in terms of cost and operational effectiveness and quality in order to prevent the potential risk of the present provider not performing on par as specified in the contract. Additionally, clear policy and strategy in regard to warehouse management in both short and long terms have been developed in order for the warehouse provider to plan their operational management to be aligned with the Company's policy and operating guidelines.

3. Financial Risks

3.1 Risks from Exchange Rate Fluctuation

The rise in Thai Currency value in 2017 positively impact the cost of importing products from overseas for domestic distribution of the Company, however, the negative impact from shared cost generated from joint-ventures investment and dividends gained from investing in other companies as all these companies manufactured and distributed products domestically and internationally. As a result, the Company has closely been monitoring relevant exchange rates along with establishing a policy preventive against exchange-rate fluctuation, engaging in forward exchanges –rates agreement of purchase and selling upon the signal of Thai Baht being depreciated, and consistently communicating with joint-ventures and other companies to ensure that they were putting preventive plans in place and being proactive in mitigating the potential risk from the exchange rate fluctuation

3.2 Risk from the Loan Interest Rate Fluctuation

The short-term loans from many financial institutions attained by the Company to be used as cost in the business operations result in the rise in the loan interest rates directly impacts the business cost in the business operations. However, the Company managed incoming

finances in accordance with spending goals by having various financial tools as options for choosing appropriate investment sources as well as cooperate with the financial institutes for the effectiveness of the products or services which reduce the operational cost and financial cost of the Company including facilitate the process of work to be more convenience and faster.

In 2018, the Company has been well and effectively managed in the cash flow for the operation and the fixed assets by selling the unused fix assets resulting in the liquidity of the Company. Moreover, the Company increased its registered capital by offering the ordinary shares to its existing shareholders and by issuing rights for the employees to purchase the Company's ordinary shares (ESOP). This helped the Company reduce loans from financial institutions and was another way to lower risk from interest loan rate fluctuations.

4. Compliance Risks

4.1 Risk from the complication of the laws, legislations, regulations, and orders

As the Company operates the business of distribution and is the distributor of consumer products, the Company, therefore, has the import-export intensive and involves in applying the licenses for selling foods and medicine and applying for the Thai Industrials Standards which the Company attaches the great importance to the compliance of the laws, legislation, regulations and orders of the relevant government authorities and private agencies. However, in order to approve the license, the different discretions and interpretations of the supporting documents from the government officers resulting in the delay of distribution, the increase of cost and challenges in determining specific operational timeframes.

As a result, the Company defined to follow the code of conduct policies and code of conduct for suppliers to strictly comply with relevant laws, legislation,

regulations and order in conducting its business. If the Company encounters expenses, fees or permit procurement that may lead to violation, the Company will consult with various experts such as IRS Officials, tariff experts, experts on food and drug standards, internal auditors, auditor, and etc., in order to be assured that the Company follows the procedures and pays taxes correctly, transparently, and able to be audited. The Company also strictly control the management and employees of the company to not engage in any fraudulent actions with the relevant government agencies and private sectors.

The Company had many transactions and activities relating to the giveaway products promotion which may risk of not being able to submit VAT accurately and completely, therefore, the Company has arranged the policy to prevent such risk by providing public relations and training including the procedures to various relevant agencies regularly. Furthermore, the Company has an internal audit in order to ensure that the Company has submitted the accurate and completed VAT.

Management's Discussion & Analysis

1. Business overview of The Company and Associated Company

Moong Pattana International Public Company Limited is a Consumer Product Company. With marketing expertise, brand awareness is created through marketing activities continuously. Besides, Moong Pattana is expert in distribution by building distribution network nationwide through modern trade, general trade both credit and cash van and including other distribution channels for example direct sales and e-commerce.

The Company distributes 4 major categories which are Baby and Mom, Food and Beverages, Personal Care and Household and Senior products.

2. Financial Performance

In 2018, The Company has total revenue amount of Baht 949.4 million which is increased from previous year by Baht 114.2 million or 13.7%. Net profit is Baht 129.1 million. An increasing Baht 50.6 million or 65.2% are mainly from the following changes.

Revenue

Revenue from selling goods in 2018 was Baht 878.7 million. Increasing from last year Baht 83.3 million or 10.5% was mainly due to an increasing of revenue from baby and mom products Baht 71 million and personal care and household products Baht 12.3 million.

Other revenues in 2018 was Baht 51.9 million. Increasing of other revenues in 2018 Baht 30.8 million or 146.2% was mainly from gain on selling investment property assets Baht 28.3 million, commission incomes Baht 1.6 million and other income Baht 0.9 million.

Other incomes	2018 (Million Baht)	2017 (Million Baht)	Change (+/-)
Commission incomes	12.2	10.6	1.6
Dividend income from investment in other companies	6.5	6.3	0.2
Gain from selling investment properties	28.3	-	28.3
Other incomes	<u>4.9</u>	<u>4.2</u>	<u>0.7</u>
Total other incomes	<u>51.9</u>	<u>21.1</u>	<u>30.8</u>

2018 gross margin was 53.8% (2017 was 52.1%) mainly from improvement of price structure of baby and mom products and effective cost management by vendor selection and negotiation process.

Share of incomes in 2018 was Baht 90 million. An increasing Baht 23.4 million or 35.1% of share of incomes in associated company in 2018 is from higher sales revenue and net profit of associated company.

Management's Discussion & Analysis

Selling and Administrative expenses

In 2018, selling expenses amount of Baht 319 million or 36.3% of total sales was higher than previous year Baht 77.6 million or 32.2% mainly came from staff cost and increasing of advertising and promotion activities to promote new products to new sales distribution channel. In addition, in 2018 some administrative expenses have been reclassified to selling expenses.

While administrative expenses in 2018 amount of Baht 156 million or 17.8% of total sales decreased from previous year Baht 230 million or 128% was mainly driven by transaction reclassification as mentioned in previous paragraph.

Financial expenses 2018 amount of Baht 1.3 million decreased from previous year by Baht 0.7 million or 35.1% due to loan from financial institution was settled. Corporate income tax 2018 amount of Baht 8.8 million increased from previous year by Baht 7.3 million due to increasing of operating profit.

Net profit

In 2018 the Company had operating profit before share of income from associated company amount of Baht 49.3 million or 5.6% of total sales or 5.3% of total revenue which is increased from previous year Baht 33.8 million. Total net profit after included share of income from equity method of associated company is Baht 129.1 million or 14.7% of total sales or 13.9% of total revenue which is increased from previous year Baht 50.6 million.

Total comprehensive income of the year Baht 127.7 million is included estimation of employee benefit according to actuarial principles after income tax deduction amount of Baht 1.5 million.

3. Financial Position (Equity Method)

Assets

As of December 31, 2018, the total asset was Baht 954.4 million, increasing by Baht 73.1 million or 8.3% from the same period of last year from the following reasons:

- 1) Cash and cash equivalents was increased by Baht 9.6 million was mainly came from operating activities.
- 2) Increasing of trade and other receivables Baht 14.6 million was aligned with increasing of sales revenue from higher number of customers.
- 3) Increasing of inventory amount of Baht 2.6 million was from increasing of goods in transit Baht 4.7 million, finished goods Baht 2.9 million while work in process and packaging was reduced by Baht 4.8 million and Baht 0.2 respectively.
- 4) Non-current assets were increased by Baht 44 million was mainly from share of income after dividend from associated company Baht 70.6 million while investment properties, intangible assets and building and equipment was decreased Baht 21.6 million, 2.6 million and 1.9 million respectively.

Liabilities

Total liabilities as of December 31, 2018 was Baht 217.5 million, it decreases Baht 28 million or 11.4% from the previous year. The details are as follows;

- 1) Short term loan from financial institution was decreased Baht 63 million from settlement all loan balance.
- 2) Trade and other payables was increased Baht

Management's Discussion & Analysis

20.3 million from higher purchasing of finished goods to serve business growth.

- 3) Other current liabilities increased by Baht 11.1 million from unearned income and income tax payable.
- 4) Increasing of non-current liabilities Baht 2.2 million was mainly from provision for long term employee benefit.

Shareholder's equity

As at December 31, 2018, shareholder equity was Baht 736.9 million. Its increasing Baht 101.1 million was mainly came from increasing of net profit Baht 127.7 million and arising from issuing warrants option to purchase ordinary share and exercise of right to purchase ordinary shares of employee (ESOP) Baht 3.3 million while decreasing from dividend payment Baht 29.9 million.

Liquidity and Working Capital

Net increase in cash and cash equivalent at end of 2018 was Baht 9.6 million arising from previous year Baht

32.2 million which presents good status of liquidity of the Company. The followings are key summary of liquidity and working capital.

The positive of cash from operating activities was Baht 30.7 million. This was mainly driven by net operating profit Baht 29.5 million, decreasing payment to supplier Baht 20.3 million and increasing of other current liabilities Baht 8.3 million while trade and other receivable increased Baht 15.7 million and income tax payment 6.1 million.

Cash from investing activities was positive at Baht 71.5 million was from selling investment properties Baht 49.9 million and dividend receipt Baht 25.3 million while purchased of new fixed assets was Baht 4.2 million.

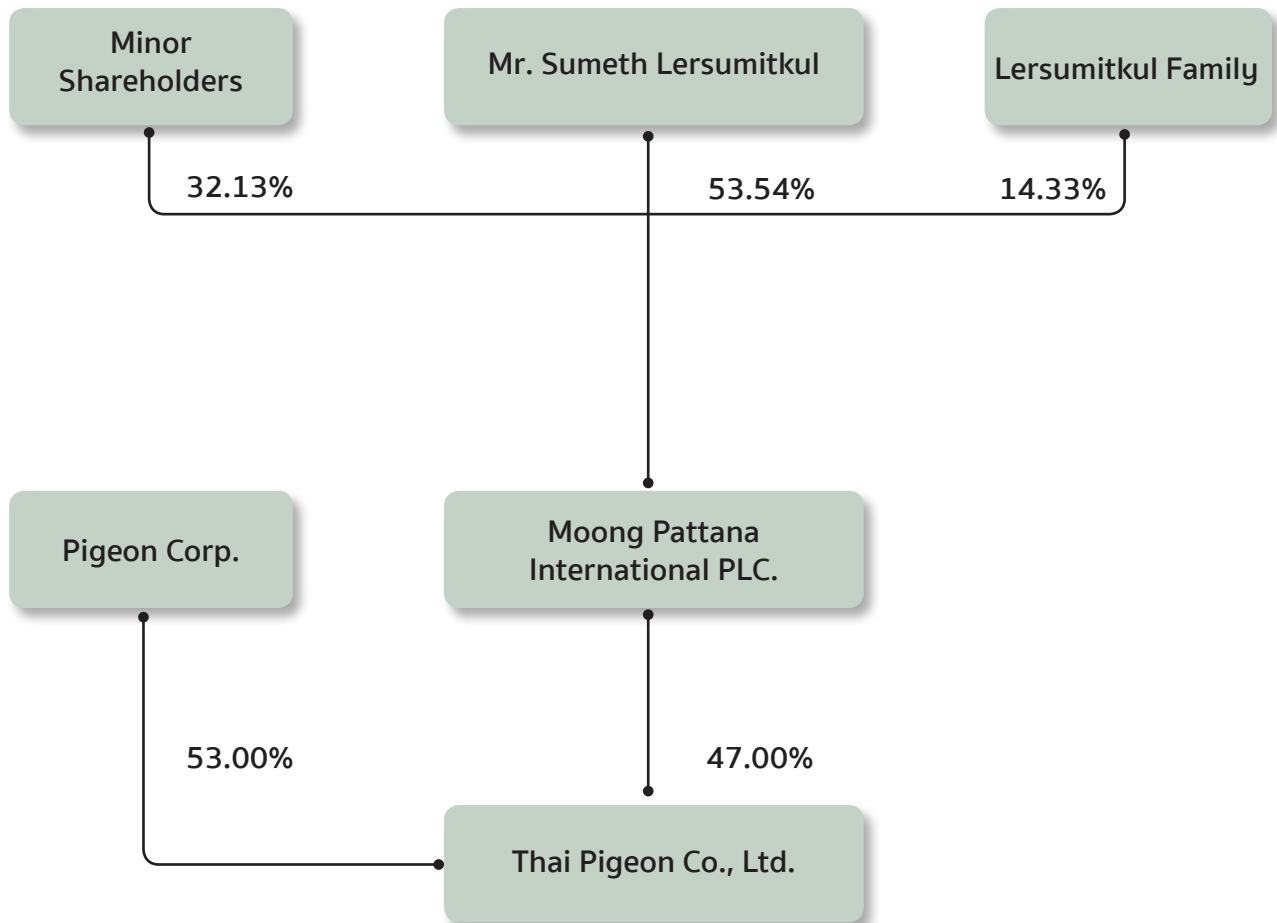
Cash from financing activities was negative or decreased by Baht 92.5 million. The decreasing was mainly from settlement all balance of short term loan from finance institution Baht 63 million and dividend payment Baht 29.9 million.

Shareholder Structure

Top 20 shareholders as of December 28, 2018 are as follows:

No.	Name & Last name	No. of share	%
1	Mr.Sumeth Lersumitkul	90,176,744	53.54%
2	Mr.Suthee Lersumitkul	7,415,938	4.40%
3	Mr.Soraphun Lersumitkul	7,265,938	4.31%
4	Mr.Methin Lersumitkul	7,181,262	4.26%
5	Mr.Sumeth Jankulprasut	5,100,000	3.03%
6	Mr.Anand Raveesangsung	4,270,000	2.54%
7	Mr.Virod Piriyathamwong	3,807,700	2.26%
8	Ms.Juntarawan Jaroontum	2,764,000	1.64%
9	Mrs.Sureeporn Anuvatudom	2,281,939	1.35%
10	Ms.Hathairat Sae Jong	2,158,300	1.28%
11	Mr.Wiboon Sirikitpanichkul	1,610,000	0.96%
12	Mr.Paisit Tungwiwatvong	1,552,726	0.92%
13	Mr.Terawut Jaenarongrit	1,330,000	0.79%
14	Mr.Chalermchai Eamcheerangkul	1,234,405	0.73%
15	Mrs.Chopaka Pornrattanarangsri	949,800	0.56%
16	Mr.Pornchai Tanupatchai	929,136	0.55%
17	Mr.Supit Panyawattanawong	905,000	0.54%
18	Ms.Suwanna Chokdee-anand	640,000	0.38%
19	Mrs.Somluck Jindapan	640,000	0.38%
20	Ms.Maliwan Napadonsatarn	617,826	0.37%
	Top 20 shareholders	142,830,714	84.80%

Shareholder Structure as of December 28, 2018



Shareholder Structure as of December 28, 2018

Shareholdings of the Board of Directors and Management

Name	2018		2017		Change Shares
	Shares	%	Shares	%	
Mr. Sumeth Lersumitkul	90,176,744	53.54%	90,826,744	54.96%	(650,000)
Mrs. La-aid Vongvongspop	12,000	0.01%	12,000	0.01%	-
Mr. Manit Jeeradit	-	-	-	-	-
Mr. Thaevan Uthavith	-	-	-	-	-
Mr. Sureeporn Anuvatudom	2,281,939	1.35%	2,241,939	1.36%	40,000
Ms. Suwanna Chokdee-anand	640,000	0.38%	420,000	0.25%	220,000
Mr. Methin Lersumitkul	7,181,262	4.26%	7,767,062	4.70%	(585,800)
Ms. Kingkam Tiayprasertkul	-	-	-	-	-
Mr. Anusart Sathongvian	50,000	0.03%	-	-	50,000
Total	100,341,945	59.57%	101,267,745	61.28%	(925,800)

Proportion and the distribution of ordinary shares as of 28 December 2018

1. Shareholders who have a holding of 5% or above including related persons is 17 shareholders, the total share is 140,932,888 shares or 83.67%

Legal Entity			Individual		
No of shareholder	No of share	%	No of shareholder	No of share	%
0	0	0	17	140,932,888	83.67

2. Shareholders who have a holding of less than 5% but over than 1 selling unit is 1,090 shareholders, amount of 27,497,539 shares or 16.33%

Legal Entity			Individual		
No of shareholder	No of share	%	No of shareholder	No of share	%
9	855,902	0.51	1,081	26,641,637	15.82

Shareholder Structure as of December 28, 2018

3. Shareholders who have a holding of less than 1 selling unit is 148, amount of 2,206 shares or 0.00%

Legal Entity			Individual		
No of shareholder	No of share	%	No of shareholder	No of share	%
0	0	0	148	2,206	0

Source: The distribution shareholders report from TSD as of 28 December 2018

Issuance of Securities and shareholders

1. The warrants to purchase ordinary shares of the company no.1 (MOONG-W1)

According to the approval of the 2015 annual general meeting of shareholders on 30 April 2015, The Company has issued and allocated the warrant to purchase ordinary shares of the company no. 1 (MOONG-W1) on 2 June 2015 at 23,999,984 units by offering to existing shareholders (right offering) at 5 shares to 1 unit which the warrant has 3 years' maturity, the exercise price at 1.00 baht per 1 share. The company has increased 23,999,984 registered shares (price at 1.00 baht per share) to reserve for the right to exercise of warrant (MOONG-W1)

The holder of warrant MOONG-W1 can exercise warrant the last working day of June 2015 which is 30 June 2015 and can exercise at the last working of June and December of every calendar year until the maturity of MOONG-W1 which is 1 June 2018

As of 30 June 2018 there was the last exercise date of MOONG-W1, the 2,316,535 units has converted to 2,330,889 shares exercise rate at 1:1.01010 with the price at 1.00 baht per share and the Company has registered and paid up on 8 July 2018. The Company has paid up capital at 168,432,633 baht, the Company will cancel all remaining unused share about 195,620 shares.

2. The warrant to purchase ordinary shares of the Company for directors, management and employees (MOONG-ESOP#1)

According to approval of the 2016 annual general meeting of shareholders on 25 April 2016, The Company has issued and allocated the warrant to purchase ordinary shares of the company to its directors, management and employees (MOONG-ESOP#1) 2,000,000 shares at 31 October 2016, the exercise rate at 1 warrant to 1 share, exercise price at 3.80 baht which has 5 years' maturity. The Company has increased registered shares 2,000,000 share to reserve for the right to exercise of the warrant (MOONG-ESOP#1)

The warrant holders can exercise warrant at the last day of December of every year starting from 2016 which is on the 30 December 2016 and can exercise warrant at the last working day of December of every calendar year throughout its maturity. The last exercise date is 30 October 2021

Shareholder Structure as of December 28, 2018

As of 28 December 2018, there was the exercised of MOONG-ESOP#1 at 207,000 units which equals to 207,000 shares, the exercise rate at 1:1, the exercise price at 3.80 baht per share. The Company has registered and paid up on 7 January 2019. The Company's registered and paid-up share is 168,639,633 baht. The Company still has remained share to reserve the exercise of MOONG-ESOP#1 about 1,419,000 units or unused share about 1,419,000 shares

Dividend Policy

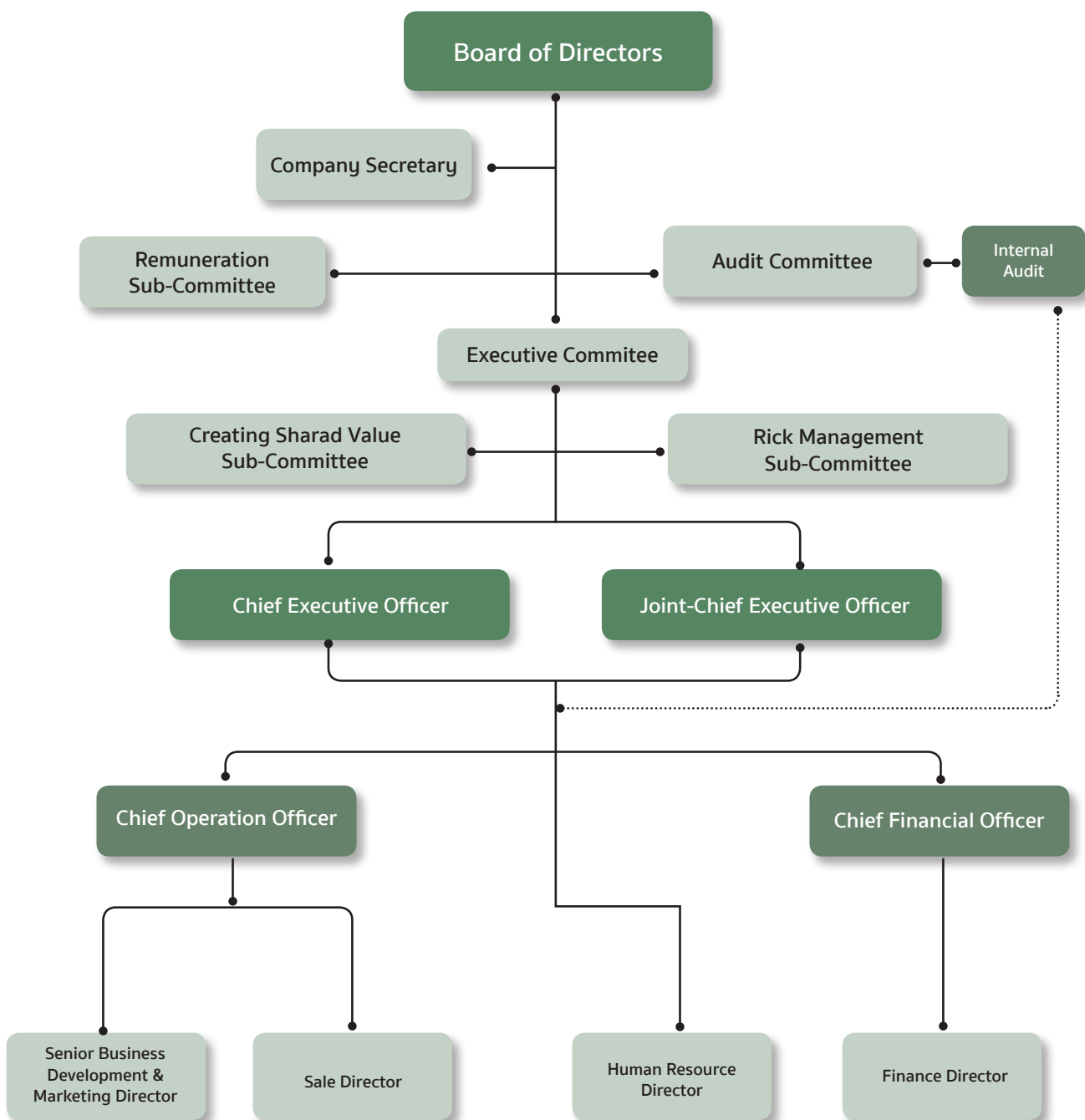
The Company has a dividend policy of minimum of 50% of the net profit after deduction of taxes and legal reserves. However, the dividend payment is subjected for changes of periodical changes depending on future operational plans, investments, liquidities, and necessities of the Company under the justifications of the Board of Directors, with the exception of when the policy is not complied, under the condition that the implement shall provide the utmost benefit to shareholders, its payment must be approved at a shareholders' meeting. The board of directors may occasionally pay interim dividends, in which case it will report to the shareholders at the next meeting.

Description	2018	2017	2016
Dividend per share	0.18	0.18	0.18
Dividend Yield (%)	2.71%	3.2%	3.1%
Dividend Payout Ratio	0.23	0.37	0.29

Management Structure

1. Organization Structure

As of December 31, 2018 the Company's structure consists of Board of Directors and 5 Sub-committee and executives as per below detail.



Management Structure

The Board of Directors

The members of Board of Directors must have qualification and have no forbidden qualification for public company specified by the Securities and Exchange of Thailand Act. The Board of Directors must have member not less than 5 which selected by the shareholders' meeting. Not over than 50% of the members of directors must have resident in Thailand.

The Board of Directors consists of 7 directors as listed below.

Independent directors 3 directors

Non-executive director 1 director

Executive directors 3 directors

Name-Surname	Position	Type
Mr. Sumeth Lersumitkul	Chairman	Non-executive Director
Mrs. La-aid Vongvongepop	Chairman of Audit Committee / Remuneration Director	Independent Director
Mr. Manit Jeeradit	Chairman of Remuneration Sub-committee / Audit Director	Independent Director
Mr. Thaevan Uthavith	Audit Director / Remuneration Director	Independent Director
Mrs. Sureeporn Anuvatudom	Director / Executive Director / Risk Management Director	Executive Director
Ms. Suwanna Chokdee-anand	Director / Executive Director / Risk Management Director / CSV Director	Executive Director
Mr. Methin Lersumitkul	Director / Executive Director / Risk Management Director / CSV Director	Executive Director

Meeting Attendance of the Board of Directors and Sub-committees in 2018

The board members were notified of 2018 Board Calendar in the Board Meeting No. 4/2017 by the Company Secretary in order to the directors could allocate time to attend the meetings. In addition, in 2018 non-executive directors held 1 meeting without executives present.

Management Structure

	No. 1	No. 2	No. 3	No. 4	No. 5
The Board of Directors	28 Feb 2018	9 May 2018	7 Aug 2018	7 Nov 2018	
Audit Committee	22 Feb 2018	2 May 2018	1 Aug 2018	1 Nov 2018	26 Nov 2018*
Remuneration Sub-Committee	28 Feb 2018				

*without executive present

Summary of meeting of the Board of Directors and sub-committee meeting in 2018

Name-Surname	Board Meeting 4 times	Audit Committee Meeting 5 times	Executive Committee Meeting 7 times	Remuneration Sub-committee Meeting 1 time	Risk Management Sub-Committee Meeting 4 times	Creating Shared Value Sub-Committee Meeting 4 times
1. Mr. Sumeth Lersumitkul	4/4		6/7			-
2. Mrs. La-aid Vongvongepop	4/4	5/5		1/1		-
3. Mr. Manit Jeeradit	4/4	5/5		1/1		-
4. Mr. Thaeavan Uthaivath	4/4	5/5		1/1		-
5. Mrs. Sureeporn Anuvatudom	4/4		6/7		4/4	-
6. Ms. Suwanna Chokdee-anand	4/4		7/7		4/4	4/4
7. Mr. Methin Lersumitkul	4/4		7/7		4/4	4/4

Audit Committee

The Audit Committee consists of 3 independent directors and at least one have knowledge, understanding or experience in accounting or finance with the qualifications specified by the Securities and Exchange of Thailand Act. In 2018 the Committee's meeting was held 5 meetings.

As of December 31, 2018, the Audit Committee consisted of 3 independent directors as the following;

Name-Surname	Position	Skill
1. Mrs. La-aid Vongvongepop	Chairman	Accounting and Finance
2. Mr. Manit Jeeradit	Member	Accounting and Finance
3. Mr. Thaeavan Uthaivath	Member	Legal

Management Structure

Remuneration Sub-committee

Remuneration Sub-committee consists of 3 directors in minimum and Chairman of Remuneration should be independent director. In 2018 the Committee's meeting was held 1 meeting. As of December 31, 2018, the Remuneration Sub-committee consisted of 3 independent directors as the following;

Name-Surname	Position
1. Mr. Manit Jeeradit	Chairman
2. Mrs. La-aid Vongvongepop	Member
3. Mr. Thaevan Uthaivath	Member

Executive Committee

Executive Committee consists of 5 members which in 2018 the Committee's meeting was held 7 meetings. As of December 31, 2018, the Executive Committee consists of 5 members as the following;

Name-Surname	Position
1. Ms. Suwanna Chokdee-anand	Chairman
2. Mrs. Sureeporn Anuvatudom	Member
3. Mr. Methin Lersumitkul	Member
4. Ms. Kingkarn Tiyaprasertkul	Member
5. Mr. Anusart Sathongvian	Member

Risk Management Sub-committee

Risk Management Sub-committee consists of at least 5 executives and 1 director; in 2018 the Committee's meeting was held 4 meetings. As of December 31, 2018, the Risk Management Sub-committee consists of 6 members as the following;

Name-Surname	Position
1. Mrs. Sureeporn Anuvatudom	Chairman
2. Ms. Suwanna Chokdee-anand	Member
3. Mr. Methin Lersumitkul	Member
4. Ms. Kingkarn Tiyaprasertkul	Member
5. Mr. Anusart Sathongvian	Member
6. Mrs. Sasithon Lersumitkul	Member

Management Structure

Creating Shared Value Sub-committee

Creating Shared Value Sub-committee consists of 5 members, at least 1 director; in 2018 the Committee's meeting was held 4 meetings. As of December 31, 2018, the Creating Shared Value Sub-committee consists of 8 members as the following;

Name-Surname	Position
1. Ms. Suwanna Chokdee-anand	Chairman
2. Mr. Methin Lersumitkul	Member
3. Mrs Pornpimon Suwankajit	Member
4. Mrs. Jittranart Buacharoen	Member
5. Mr. Teerapong Songkrowh	Member
6. Mrs. Maliwan Thiamthan	Member
7. Ms. Kingkarn Tiyaprasertkul	Member
8. Mr. Anusart Sathongvian	Member

Executive Management

As of December 31, 2018, the Company's executives are consisted of the following 5 members;

Name-Surname	Position
1. Ms. Suwanna Chokdee-anand	Chief Executive Officer
2. Mrs. Sureeporn Anuvatudom	Joint Chief Executive Officer
3. Ms. Kingkarn Tiyaprasertkul	Chief of Finance Officer
4. Mr. Methin Lersumitkul	Senior Business Development and Marketing Director
5. Mr. Anusart Sathongvian	Sales Director

The Chief Executive Officer

The Chief Executive Officer has authority and responsibilities regarding the Company as assigned by the resolutions of the Board of Directors, the Executive Committee and the shareholders' meeting. In addition, the Chief Executive Officer is responsible for developing and implementing the Vision, the Mission and the expected values of the Company.

Duties and Responsibilities of the Chief Executive Officer

1. Operate and/or manage the Company's daily tasks so that they are in accordance with the Company's vision, mission, expected value, goals and policies approved by the board of directors.
2. Follow-up operational results and advancement. This includes reporting the operational results, problems or

Management Structure

obstacles that arise, and guidelines for improvement for the board of directors to acknowledge.

3. Consider the stipulations for anti-corruption policies and guidelines. This includes the promotion and support of the policies and guidelines and the regular review of the appropriateness of the systems and measures in order to align them with changes in business, acts and regulations of the law.

4. Consider setting up communication between Company personnel and relevant persons in order to acknowledge fraud and anti-corruption policies and guidelines.

5. Consider defining corporate structure and annual manpower ratios for the consideration of the executive committee.

6. Consider the approval of procurement, appointment, transfer, removals, and layoffs. Define wages, remuneration, bonuses and other benefits for the Company's executives and employees except for the position of Chief Executive Officer which will be considered and approved by the board of directors.

7. Consider the approval of budgets for production projects and/or new dealers and new distributors.

8. Consider the approval of permanent assets purchases within a budget that does not exceed 20,000,000 Baht and does not exceed 5,000,000 Baht for non-budgeted items.

9. Consider the approval of distribution, demolition and contribution of permanent assets and other assets that do not exceed 3,000,000 Baht.

10. Consider the approval of all administrative expenses that do not exceed 5,000,000 Baht or does not exceed 100,000 Baht for non-budgeted items.

11. Consider the approval of advertising and sales promotion expenses that have a value over 8,000,000 Baht.

12. Consider the approval of employee loans that have a value over 200,000 Baht.

13. Consider the approval of work-related overseas travelling expenses for executives and employees.

14. Consider the approval of regale allowance that have a value over 30,000 Baht per time.

15. Consider the approval of products given as tributes and samples that have a value over 10,000 Baht.

16. Operate in other areas assigned by the board of directors and/or the executive committee and operate according to the laws and regulations of government sectors.

Being director of other companies

The Board of the directors has defined the Chief of Executive Officer to take a position of director not over than 3 companies. In the case that the Company is the shareholder, the Chief of Executive Officer could be assigned to take a position as a director or considering other qualified executive to take a position as a director instead.

Company Secretary

The board of directors appointed Company Secretary in accordance to the Securities Exchange Acts, to give advice on issues regarding laws and regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Ms. Kingkarn Tiyaprasertkul was appointed as the Company Secretary on May 9, 2018.

Management Structure

Qualifications of Company Secretary

1. Understanding in the company's business, as well as roles related to the company secretary's duty and knowledge such as director's and the company's roles and responsibilities, understand the relevant laws and regulations and to regularly learn and track on related information for improvement.
2. Responsible for compliance with the company's laws and regulations. Honestly committed, dedicated to achieving and supporting the company's operations to achieve the objectives under the good corporate governance principles and business ethics of the Company.
3. Adherence to the integrity and ethics of all stakeholders. Do not take any action that will result in a bad reputation or company image.
4. Having no intention to earn personal benefit from the Company's business opportunities, as well as keeping the confidentiality of the company.
5. Having good interpersonal relationships and the ability to coordinate with other parties and departments within and outside of the Company.

Profile of the Company Secretary

Ms. Kingkarn Tiyaprasertkul Age 44

Education

Master degree	MBA, major of Accounting for Planning and Controlling, Kasetsart University
Bachelor degree	Accounting, Thammasart University

Traning

2018 – Present	Company Secretary and Chief Financial Officer, Moong Pattana International PCL.
2015 - 2018	Finance and Accounting Manager, L'Oreal Thailand Limited
2002 – 2015	Senior Accounting Manager, Fonterra Brands (Thailand) Limited
2002 – 2015	Management Accounting Manager, Fonterra Brands (Thailand) Limited
1999 – 2002	Credit Control Supervisor, Siam Pharmaceutical Co., Ltd
1996 – 1999	Auditor, KPMG Phoomchai Co., Ltd

Relationship among management *No*

Directors, Executives and Employees Compensation

Director Compensation Policy

The compensation for directors was specified; by taking into account each role and responsibility of the Board of Directors and the committees, and also retain and motivate qualified directors to perform their duties effectively and responsibly. The Board of Directors should propose the shareholders to approve the maximum aggregate amount

Management Structure

of annual compensation for the members of the Board of Directors. The 2018 Annual General Meeting approved the director compensation amount of Baht 2,500,000 for the Board of Directors, Audit Committee and Remuneration Sub-committee. The 2018 director remuneration by position as follow;

Directors' remuneration for the year 2018, classified by position

Position	Allowance (Baht/Time)
Board of Directors	
Chairman	85,000
Member	30,000
Audit Committee	
Chairman	40,000
Member	30,000
Remuneration Sub-committee	
Chairman	10,000
Member	7,500

In 2018, the Company Directors' were paid only allowance, by attending the meetings and did not receive bonus or other benefits.

2018 Total Director Compensation

Name	Director Compensation (Baht)	Sub-Committee Compensation (Baht)	Bonus (Baht)	Other Benefits (Baht)	Total (Baht)
1. Mr. Sumeth Lersumitkul	340,000	-	-	-	340,000
2. Mrs. La-aid Vongvongpop	120,000	207,500	-	-	327,500
3. Mr. Manit Jeeradit	120,000	160,000	-	-	280,000
4. Mr. Thaevan Uthavath	120,000	157,500	-	-	277,500
5. Mrs. Sureeporn Anuvatudom	120,000	-	-	-	120,000
6. Ms. Suwanna Chokdee-anand	120,000	-	-	-	120,000
7. Mr. Methin Lersumitkul	120,000	-	-	-	120,000
Total	1,060,000	525,000	-	-	1,585,000

Management Structure

Remuneration of Management

The Company has established remuneration of Management in short-term and long-term goals.

2018 Total Remuneration of Management

Type of Remuneration	2018 (Baht)	2016 (Baht)	2015 (Baht)
Total salaries	27,317,916	27,055,633	24,933,321
Bonus	3,177,847	3,180,571	2,916,966
Social Security Funds	48,750	51,000	53,250
Provident Funds	790,543	739,404	715,689
Advisor Fee	3,616,800	3,616,800	3,616,800
Long-term Employees' benefit	447,307	443,451	427,481
Net Total	35,399,163	35,086,859	32,663,507

Human Resource as of December 31, 2018

As of December 31, 2018, the Company's total number of employees was 158 people. In 2018 the Company's employees received remuneration that equaled 141.1 million Baht. This included salary, overtime pay, monetary rewards, incentives, Social Security contributions, and providence fund

Number of Employees and Remuneration in 2016

	Male	Female	Total
Executives	2	3	5
Operating and Supporting Employee	60	93	153
Net Total	62	96	158

The Issuance and Offering of Warrant Certificates to Purchase the Company's Ordinary Shares (MOONG-ESOP)

According to the resolution of the Meeting of Shareholder's for 2016, the Company proceeded to issue and offer warrant certificates to purchase the Company's ordinary shares (MOONG-ESOP) by allocating warrant certificates to purchase the Company's ordinary shares (ESOP Warrant) to directors, executives and employees for 2,000,000 units. The objective was to reward and encourage employees in their determination and dedication by playing an important role in the success and continued growth of the Company. The Company focused on opening opportunities to directors, executives and employees to own and have a part in the business. This will create motivation to work and push the Company to grow stably and sustainably.

Management Structure

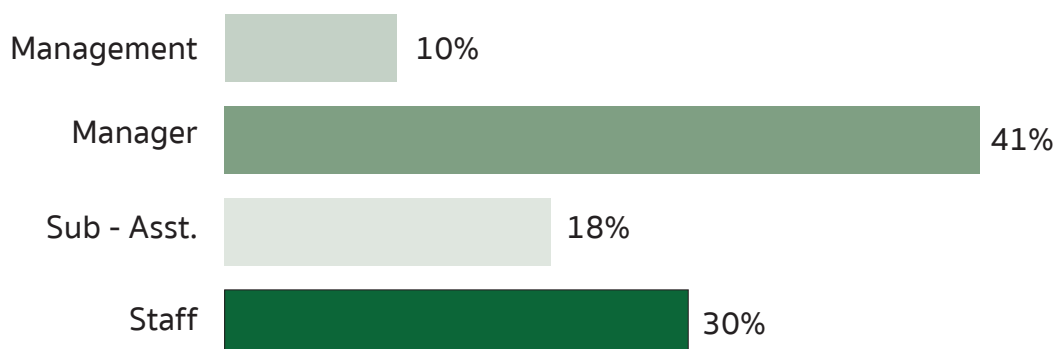
Human Development Policy

Nowadays, working on self-assigned just to be done is not enough as the business is faced with rapid changes all the time. The Company expects our employees could work on any uncertain situation together with ready to adapt and learn from past experience to help them cope with every situation steadily.

New generation of worker need to build their own passion, start to work on what they like and put 100% of their heart into their work. Need to create work by their own without supervision. Need to truly understand the objective of work and be proactive regularly. Make differentiate of their work and aim for accomplishment in their career path and succession plan properly. Elevate themselves to be valuable asset of the Company and driving forward to sustainable growth and success.

Once you can improve and show your ability as a team leader whether you are a manager, employer or team leader you need to focus on people more than everything not focus only on work plan, tools or budget. Without winning their heart, you cannot be a good leader. Integration and to pull the full potential of subordinate are the key. Even you have a great plan, effective tools or a sufficient budget but if you cannot push the potential of your subordinate, the great work cannot happen. Good leader who win the heart of their subordinates is the leader who sensitive to their subordinates' feeling and needs.

In 2018, the Company placed emphasis upon developing individual developmental milestones for people's potential both growth mindset and developing leaders. To provide employees with awareness and learning to develop themselves with the right skills responsibility, the company can achieve a defined goal and result in a sustainable and efficient development plan for the company's personnel.



Management Structure

Training Hour year 2018 separated by Competency Skills

Type of Competency	Name of Training Course	Hour	Total Employee
Core Competency	Finance for Non-Finance	552	69
	Merchandising Training Sales	264	66
	Be Proactive the power to success	240	30
	Effective Meeting & Conflict Management	176	22
Leadership Competency	Performance Indicator Alignment Workshop	200	25
	Leader Camp Project_Strategic Thinking Workshop	240	15
	Top Team Effectiveness	336	21
Functional Competency	HINO Smart Driver Training(HSD)	168	21
	Basic CARDIO-PULMONARY RESUSCITATION (CPR)	488	122
	Facet5 Training & System	80	5
	Cashflow Management #2	16	1
	Alibaba Smart Logistics and Lean Management For Manufaturing	40	5
	OKRs & Performance Evaluation for Supervisor	8	1
	Corruption in company checked by Internal Audit including interanl guideline for preventing of corruption	8	1
	TFRS16	8	1
	Power BI Desktop for Business Analytics	16	1
	Writing for PR&Corporate Communication	16	2
	Talent Management & Development	8	1
	Road to Certify (Re-Certificate Anti-Corruption)	8	1
	Engancing Good Corporate Governance based on CGR Socrecafd	8	1
	Inaugural Corporate Governance Conference 2018_Building Trust in a Trans-forming Economy	8	1
	Transport Logistics 4.0 The Road to A Digitalized Logistics Management	32	4
	Business Strategies for Professional Secretary # 2/2018	8	1
	Director Certificate Program (DCP) รุ่นที่ 264	16	1
	Summarized Issues of Cabinet approved new Land and Buildings Tax Bill	4	1
	Business Simulation - BURGER RUN	4	1
	Compensation Design & Management	8	1

1. Corporate Governance Policy

As the Securities and Exchange Commission (SEC) launched the Corporate Governance Code for Listed Companies 2017 (CG Code) on March 17, 2017, the Board of Directors considered, it was proper to review and adapt the Company's Good Corporate Governance Policy to apply the CG Code to the Company's business. They have strived to build and ensure the confidence of shareholders, investors and other stakeholders. The Company shall operate its business to maintain continuous growth and achieve long-term sustainable value creation with responsibilities in accordance with laws, ethic and integrity. The Company's Good Corporate Governance Policy (amended 2017) was considered and approved the policy at 9 August 2017 by the Board of Directors' meeting and effective since August 10, 2017.

However, SEC has expected the board of directors to act as a leader to comply the 2017 CG Code with the Company's business on the "Apply or Explain" basis. The Board of Directors and Management notice and understand the CG Code quite well and will apply with the knowledge of "Creating Shared Value" for achieving long-term sustainability and training our staffs about that.

Furthermore, The Board of Directors had considered, the aspects are not applicable including reasons and substitute measures are as follows;

Topic not exercised	Reasons for not following / Substitute measures
The Board of Directors should determine the policy that directors and executive should notify the Board of Directors or delegated person, at least 1 day in advance before buying or selling the Company's share.	The Board of Directors determined that directors, executives and employees do not use inside information for their own benefit from the Company's share trading. In addition, they do not allow buying or selling the Company's share, up to 1 month before disclosing the Company's financial statement or significant information and should wait at least 24 hours after that. (2017 Code of Conduct)
The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years.	The Board of Directors determine the length of time that independent directors can assume the positions not over than 9 year but the Company believes, the independent directors are knowledgeable, capable and responsible to govern its company and shall express their independent opinion for maximizing benefit to the Company and fair treatment of all shareholders, so some independent directors stay on the position longer than 9 years.

Corporate Governance

Topic not exercised	Reasons for not following / Substitute measures
Does the Company have Compliance Unit?	Audit Committee assigned the Internal Audit Function to oversight business operation in compliance with relevant laws, rules and regulations to the Company.
Is the Chairman independent director?	The Chairman is not the same person as the Chief Executive Officer; the Board of Directors clearly segregate roles and responsibilities of the Board and Management Team. (Good Corporate Governance Policy.
Does the Company's policy determine minimum board quorum in order to take a vote; two-thirds of its total board members?	In a board meeting, an annual board meeting agenda should be notified to the Board of Directors by the Company Secretary in advance for the board members should attend the meeting at the date and time are set. If any director is inconvenience, the Company Secretary shall postpone the meeting to the date that they all can attend the meeting.

2. Shareholder Rights

The Board of Directors recognizes the shareholders' right and facilitates shareholders to exercise their rights and power to nominate directors to act on behalf of the shareholders for defining the Company's objectives.

The Right to receive Information

The Company reveals all material information of its company through SET Portal system of the Stock Exchange of Thailand and the Company's website (www.moongpattana.com). In addition, directors and executives should submit the report on the changes in MOONG's securities holding (Form 59-1 and 59-2) and report on acquisition or disposition of MOONG's securities holding (Form 246-2); all reports are shown in SEC website (www.sec.or.th). Furthermore, our shareholders and investors could contact Investor Relation directly at 0 2020 8902 or e-mail: ir@moongpattana.com or Company Secretary at 0 2020 8999 or company.secretary@moongpattana.com

As shareholder's treatment and responsibility policy, the Company has duty of disclosure its information with reasonable supporting information both positive and negative impacts of its business to shareholders, such information shall be simple, accurate, sufficient and a timely manner both Thai and English version. The Company ensures that all shareholders obtain and access the relevant and adequate its information. In 2018, the Board of Directors approved the Revision Securities and Insider Trading Policy that disclosure of material nonpublic information of the Company must be designated persons who are appointed by the Executive Committee, Ms. Suwanna Chokdee-anand, Chief Executive Officer to be the Company's spokespersons.

The Right to a Dividend

Shareholders have right to receive share in the profit of the Company. As the Company's Dividend Policy,

the Company shall allocate no less than 50% of its net profit as dividends after deducting tax and legal reserve. The Company's board of directors has an authority to consider dividend payment it seeks approval from the shareholders' meeting. An exception is for interim dividend payment, for which the Board of Directors can approve such payment and report to the next shareholders' meeting.

The Right to Propose Agenda and Candidate's Name for Being the Directors

In 2018, the Company informed the shareholders to propose agenda and candidate's name for being the directors (both Thai and English version) in advance between the dates 16 October to 31 December 2018 through SET Portal, the electronic channel of the Stock Exchange of Thailand and posted on the Company's website at www.moongpattana.com. The Company's shareholders, who wish to propose the agenda and / or candidate's name to the Board of Directors, can download the forms at www.moongpattana.com.

The Company reserves the right to consider the completely information form (Form A), that specify objectives and supporting reasons. In addition, proposing candidate's name for being the directors, please submit the completely forms (Form B - The form of proposing candidates for the election of the Company's Directors and Form C - Letter of Consent Propose candidates for nomination as directors) as well as the nominated persons must not have any characteristics prohibited by SET and SEC regulations. Whenever neither candidates nor agenda items were proposed.

The Right to attend Shareholders' Meeting

Attending shareholders' meeting, it is shareholders' opportunity to be notified the Company's performance last year and also its plan and future direction. Furthermore, the shareholders have right to vote in agendas related to the Company both normal sessions such as adopting the minutes of the last meeting, approval the annual financial statement and appoint members of the Board of Directors, and special sessions such as increasing or decreasing capital and approval for related parties' transactions, merger and acquisition or disposal of assets.

Shareholders who have right to attend the meeting, must hold the Company's shares on the record date that means shareholders must buy or have the shares 1 day before the trading sign "XM" (Excluding Meeting). The Stock Exchange of Thailand will post the sign "XM" in advance on website www.set.or.th.

If shareholder could not attend the meeting, shall appoint a proxy to appoint representative or independent persons such as independent directors or audit member of the Company that provide to be a shareholder proxy. The shareholders can download the proxy forms at the company's website that were attached with the invitation of AGM. For shareholders' benefit, the shareholders should use proxy form B which is entitled to cast the votes on each agendas.

In 2018, the Company held the shareholders' meeting on April 26, 2018 at 18th floor, Meeting Room, Thosapol Land Building 4, No.2/97-104, Bangna-Trad Soi 25, Bangna-Trad Road, Bangna, Bangkok (10260). There was no calling for an extraordinary general meeting. As Public Limited Company Act, the board of directors shall arrange for an annual ordinary meeting of shareholders within four (4) months from the last day of the fiscal year of the Company (31 December each year). All other shareholders' meeting except annual general meeting, are called extra ordinary general meeting.

Corporate Governance

To provide the shareholders sufficient time to consider the agenda and related documents, the Public Limited Company Act determined that company shall deliver invitation letter to shareholders at least 7 days in advance before the meeting date. While the Stock Exchange of Thailand determined that the listed companies shall send the invitation letter 14 days in advance. The Company published the invitation letter of 2018 Annual General Meeting that specified date, time, venue, meeting agenda with board's opinion and supporting documents such as minutes, proxy forms, independent auditor's report, annual report, sustainable development report and related documents, at least 21 days prior to the meeting both Thai and English version through the Company's website and SET Portal, electronic channel of the Stock Exchange of Thailand. The documents above were delivered to the shareholders whose name appeared in the register at the record date at least 21 days in advance and advertised in the newspaper 14 days in advance for 3 consecutive days for call the shareholders' meeting.

In order to facilitate shareholders' meeting procedures, the Company provided barcode system for registration and vote counting in every agenda. The registration to attend the meeting shall be started at least 2 hours' prior the meeting time. The board of Directors, executives, legal consultant and auditor of the Company convened the 2018 Annual General Meeting.

The Right to attend the shareholders' meeting

Prior to the meeting started, the chairman of the meeting informed the number of shareholders who attend the meeting in person and by proxies as well as the vote casting. Then the Meeting had considered the matters in accordance with the following agenda. Moreover, the order of the item and agenda was not changed, and there was no request to consider any other matter. In case of shareholders who attend the meeting during the agenda, the Company shall recount the number of shareholders and its shareholding. Whenever, those shareholders could cast their vote only unapproved agendas.

During the meeting, the chair of the meeting opened session for shareholders to ask questions, express opinions and suggestions as well as before voting in each agenda. In the agenda item of selection of directors, the Company provided opportunity for shareholders to vote on individual directors. After voting in each agenda, the chair of the meeting had announced the voting results as approval, disapproval or abstention.

The Company recorded a meeting. After the completion of the shareholders' meeting, the Company disclosed the result of the ballot in each agenda via SET Portal of the Stock Exchange of Thailand immediately. Due to notify shareholders, investors and related stakeholders, The Company submitted the minutes of the meeting within 14 days after the meeting's date to the Stock Exchange of Thailand and the Securities and Exchange Commission as well as posted on the Company's website.

3. Equitable of Treatment of Shareholders

The Company operates business base on corporate governance and policy to maintain equitable treatment of shareholders including minor, institutional and foreign shareholders. With respecting the rights of shareholders to use their basic right according to the laws and regulations, the Board of Directors determined the best practice for shareholder in the Company's Good Corporate Governance Policy and Code of Conduct as well as builds shareholders' trust and confidence to invest in the Company.

To attend and vote at the shareholder's meeting is an opportunity for all shareholders to use the right for governing its business through agents or directors as well as asking questions, express opinions and suggestions. The shareholders, who cannot attend the meeting, shall appoint a proxy or independent director of the Company to be their proxies. Each shareholder has one vote for each share. Furthermore, the shareholders were invited to propose agenda and candidate's name for nomination through the Company's website prior to the shareholders' meeting.

The Company opened registration 2 hours before the meeting and arranged the officers for checking documents, barcode registration and prepared revenue stamp (appointment of proxy) including sound system and meeting's room. Apart from the shareholders' meeting, investors, shareholders and interested person can equitably access the Company's information through SET electronic channel and its website. If shareholders would like to express their opinion, whistle-blower, complaints or suggestions, please directly contact independent directors at e-mail: ind.director@moongpattana.com.

The Board of Directors determined Insider Trading Policy to protect insider misuse of inside information for benefits to directors, executives, staffs and related person. The Securities and Exchange Act B.E. 2535 (and amendment) provided that directors and executives must report their holdings of the Company's shares to the Securities Exchange and Commission.

4. Role of Stakeholders

The Board of Directors has established the "Revising Code of Conduct (2017)" as guideline on best practices of each group for Directors, Executives and Staffs to perform their duties in accordance with its practices strictly. The Company's policy on the treatment of stakeholders can be summarized as follows:

Business Operation

The Company strives for operating its business as a professional of marketing and distribution of consumer products under the code of conduct and responsible business operation framework for addressing the needs of customers, investors and builds good relationships with business partners and promoting mutual and long lasting growth. The Company set the code of conduct of directors, executives and employees to work on responsible decision making with cautiously, prudent and sufficient information as well as equitable treatment toward stakeholders to achieve utmost benefits and drive long term business value.

Shareholders

The Company has a policy to treat all shareholders equitably and conducts business in order to create utmost all shareholders' interest with transparency not any parties involved. Then the Company shall disclose and report status of its performance correctly and completely with truth to the shareholders through various channels both Thai and English version at www.set.or.th, www.moongpattana.com or contact Investor Relations (Tel 0 2020 8999 or ir@moongpattana.com)

Customers and Consumers

The Company strives for deliver quality and safety products according to the standards at fair prices including describe information of products and services with truth and clearly written. For more product details, the Company provided officers to give an advice how to use the products at 0 2020 8990 or email to crm@moongpattana.com. In

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addition, the Company provided customer services process regarding to complaints, requests and evaluated customer satisfaction which was used to improve and develop the Company's products and services.

Creditors

The Company has a policy to ensure that creditors are treated fairly and equally, as well as strict compliance to the terms and conditions of contract. In case of the Company is unable to carry out a contract, the Company would inform creditors in advance in order to find a way to solve the problem together.

Partners

The Company has a policy to treat business partners equally and fairly on the basis of fair return for both parties and to strictly comply with contract agreements or conditions that were agreed upon between the business partners. If the Company is unable to carry out the contract agreement, the Company would inform the business partners in advance. The Company did not request, take or give any benefits that were dishonest while negotiating business.

Employees

The Company has a policy to treat employees fairly, equally and impartially. These policies will be followed in the selection of employees, consideration for remuneration, appointments, transfers as well as capabilities and potential development along with their positions. The Company will provide its employees with relevant knowledge and build up their awareness of the crucially of safety, occupational health and good working environment.

Competitors

The Company adheres to fair business operations under the framework of the law and business ethics without seeking the confidential information of a competitor in a dishonest or inappropriate manner. The Company does not ruin the reputation of its competitor with malicious accusations without any truth. This includes any other acts that violate the intellectual property of a competitor.

Regulators

The Company has conducts business operations strictly in compliance with the laws and relevant regulations issued by the regulatory agencies. Furthermore, the Company continues to associate with agencies for enhancing the Company's corporate governance practices along with national standards.

Social and Community

The Company operates its business on community responsibility, society and environmental preservation. The Company is ready to strengthen and stabilize Thai society by supporting and holding activities that are always beneficial and creative for the community, society and the environment.

Suppliers

The Company has established the selection of products and suppliers' policy in the "Purchasing Best Practices" of the Company along with standards including international and domestic laws. Furthermore, the Company set the Anti-Corruption Practices to ensure that directors, executives, employees and workers shall not be engaged in any fraud and corruption activities.

5. Disclosure and Transparency

The Company provides full disclosure its information especially material information that affects to decision of shareholders and investors shall be accurate, sufficient and a timely manner including reliable financial and non-financial information through SET Portal system of the Stock Exchange of Thailand and the Company's website. In 2018, the Company held the investors' activities such as "Opportunity Day" 3 times dated on March 14, 2018, June 6, 2018 and November 12, 2018, at the Stock Exchange of Thailand and joined the MAI Forum 2018 dated on July 1, 2018, 11.00 a.m. – 7.00 p.m. at Floor 22nd, Bangkok Convention Center, Centara Grand at Central World.

The Company appointed investor relations team, in order to communicate and disclose its information to investors and analysts regularly. The Investor Relations is accountable for disclosure its information for investors' decision making. Contact details of Investor Relations: Mrs. Sasithon Lersumitkul at 0 2020 8902 or e-mail: ir@moongpattana.com and Company Secretary: Ms. Kingkarn Tiyaprasertkul at 0 2020 8999 or company.secretary@moongpattana.com

6. The Board of Directors

The Company comprises 6 committees which including the Board of Directors, Audit Committee, Remuneration Sub-committee, Executive Committee, Risk Management Sub-committee and Creating Shared Value Sub-committee.

Composition of the Board

The Board of Directors consists of not less than 5 persons with is more than one-third of the total board seats is independent directors. At least 1 non-executive director has experience in core business. In order to create value and benefits to the Company, the composition of the Board of Directors should consist of directors with diverse qualifications, including age, gender, skills, knowledge and expertise useful for the Company.

Qualifications of the Board of Directors

The Board of Directors set qualifications of directors that should have knowledgeable, experience and expertise to benefit for operating a business. Moreover, the directors must be qualified not being prohibited by the Public Company Act, the Securities and Exchange legislations, including related regulations and the Article of Association and the Good Corporate Governance Policy of the Company.

Qualifications of Independent Directors

The board of directors determined the qualifications of independent directors to be more stringent than the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Independent directors must not hold more than 0.5% of the total voting shares of the Company.

Role and Responsibilities of the Board of Directors

- 1) Carry out business operation under the Company's article of association, laws, board of directors' and shareholders' resolutions (Duty of Obedience) with responsibilities, prudent and cautiously (Duty of Care), honest, trustworthy (Duty of Loyalty) and oversee the disclosure of financial and non-financial precisely in time (Duty of Disclosure).

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- 2) Monitor and follow-up that management has operated to the best interest and fairly of majority and minority shareholders including other stakeholders such as customers, partners, creditors, competitors, employees, community, social and environment to protect their legal rights.
- 3) Define the Company's vision, mission, objectives and goals in steering business operations according to building sustainable value and review it's regularly, at least annually.
- 4) Consider and approve operation policies, allocation of resources and budget as provided by the Company's management. In addition, monitor and ensure policies and plans implementation efficiency and effectiveness as goal setting. The outcomes shall report to the Board of Directors and Executive Committee quarterly as well as problems and impediments that occur and adaptation plans.
- 5) Supporting, promoting and instill values, moral and ethics in all level of the Company under the Good Corporate Governance Policy, Code of Conducts and Anti-Corruptions Practices.
- 6) Foster and support to create value-added to the Company with innovation and technology as well as using information technology to develop and improve the Company's business operations.
- 7) Appointing and defined role, duties and responsibilities of the Committees
- 8) Appointing directors or executives to be directors in the associate, subsidiary or affiliate of its company.
- 9) Set a written corporate governance policy and review it's regularly, at least annually.
- 10) Set a written Code of Conduct for directors, executives and employees to understand the business ethical standards of the Company's business besides employee's regulations that along with labor law. Monitor compliance to the Code of Conduct strictly.
- 11) Consider any conflict of interest thoroughly under clear guidelines for the best interest of the Company and all shareholders. Excluding any conflicted persons to participate in decision making. Monitor compliance with regulations relating to procedures transactions with conflict of interests.
- 12) Disclose a report on securities holding by each of them and related persons under the Securities and Exchange Act B.E. 2535 Section 59, and shall submit the report to company secretary for gathering and propose the report to the Board of Directors including disclose to the shareholders in annual report.
- 13) Ensure that an internal control system is in place. Assign internal control department, an independently unit to perform internal control duties as above.
- 14) Establish a risk management policy to cover all activities of the Company. Assign management to implement the policy and report to the Board of Directors regularly, at least quarterly.

Role and Responsibilities of the Chairman

- 1) In cooperate with the Chief Executive Officer, to develop and set the agendas for meetings of the Board and oversee the process of sending out a notice and supporting documents accurately and completely in time.
- 2) Conducting meeting in accordance with the following agendas and comply with the Company's Article of Association and related laws.
- 3) Manage the time and maintain the scheduled meeting timings including encourage all directors to express their opinions freely.

Authorization of the Board of Directors

- 1) Consider and approve the annual and revised budget.
- 2) Consider and approve the purchase of fixed assets worth more than 80,000,000 Baht in accordance with the rules and regulations stipulated by the Stock Exchange of Thailand and the Securities Exchange Commission concerning the acquisition or disposal of assets.
- 3) Consider and approve investments in securities, bonds, equity instruments, and unit trusts. This includes acquisitions, joint ventures in projects/other activities in which the project/activity value is more than 80,000,000 Baht per transaction or the project/activity is in accordance with the rules and regulations stipulated by the Stock Exchange of Thailand and the Securities Exchange Commission concerning acquisition or disposal of assets.
- 4) Consider and approve the borrowing or issuance of debentures. This includes providing a guarantee, loan guarantee, pawns, and mortgages for any of the Company's loan requests worth more than 80,000,000 Baht per request.
- 5) Consider and approve the writing-off of bad debt in accordance with the principles, procedures, and conditions declared and determined by law worth more than 5,000,000 Baht.
- 6) Consider and approve transactions that connect the Company, subsidiaries, and associated companies with related associates on matters that do not require resolution from the shareholders' meeting.
- 7) Consider and approve the leasing of the Company's assets with a contract period of more than 3 years.
- 8) Consider and approve other matters beyond the scope, authorization, and duties of the executive committee.

Authorized Person on behalf of the Company

The Company's authorized directors are Mr. Sumeth Lersumitkul or Mrs. Sureeporn Anuvatudom or Mr. Methin Lersumitkul, together with Ms. Suwanna Chokdee-anand. Two directors sign together along with affixing the Company's seal. In the case of filing tax returns or submitting financial statements to government agencies or any other agencies, any one of the authorized directors above shall sign and affix the Company's seal.

Term of Office of the Directors

One-third of the total number of directors must leave their position during every annual general meeting. In case that one-third of the number of directors results in a number that is not whole, the number of directors that leave will be rounded to the nearest number. Directors who had left may be re-elected.

The Meeting

- 1) The board of directors schedules the meeting at least 4 times a year and conducts its meeting along with the Company's Article of Association, laws and related regulations.
- 2) The quorum of the board of directors requires at least half the total number of directors to be in attendance. The Chairman acts as the chair of the meeting and opens session for directors to free express their views and opinions as well as promoting discretion, allocate sufficient time for management to present the issues and results of the Company's operations.

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- 3) The meeting notice and supporting documents shall be issued to directors in advance at least 5 working days before the meeting date. However, the board of directors can ask more information from executive director or board's secretary or call executives to join the board's meeting for explanations and answer questions.
- 4) The Company records a meeting and takes accurate and completely minutes of the meeting. All directors had attended all meeting of the board, except in the case of conflict of interest.

7. Audit Committee

Audit Committee consists of 3 independent directors and at least 1 member possesses knowledge and experience in accounting and/or finance. The audit member needs to have sufficient knowledge and experience for the credibility review of the financial statements. Furthermore, the Audit Committee is accountable for review operation process of the Company to ensure that according to policies and regulations as well as laws and related regulations and also promote development of financial report and accounting along with accounting standards including review internal control system, internal audit system and risk management system that are concisely, sufficient and efficiency.

As the Board of Directors' assignment, the Audit Committee can express opinion freely. In order that, internal audit will be delegated and directly report to the Audit Committee. At least annually, the Audit Committee should meet the external auditors, without management, to discuss matters relating to its remit and any issues arising from the audit as the Company's expense.

Role and Responsibilities of Audit Committee

- 1) Ensure the Company's financial statements are accurate and sufficient by reviewing its proper and effectiveness of internal control, management control and internal audit
- 2) Reviewing the Company comply with the laws related securities and exchange as well as the SET regulations and law related to the Company's business
- 3) Report on internal control system and its sufficient in the annual report
- 4) Perform any other duties as the assignment of the Board of Directors in the Charter of the Audit Committee that concurred the Audit Committee and under related legislations.

Audit Committee Meeting

The audit committee convenes a meeting at least 4 times a year to review financial reports, internal control, risk management and compliance with SET regulations, Sec laws and Public Company Limited Act. The meeting shall be call by sending invitation in written to audit members at least 5 days prior to the meeting. A quorum is at least one-half of the members. The decisions of the committee's meeting shall be passed by a majority vote of the members who attended the meeting.

All audit committee members must attend at least three-fourths of the total number of meetings held during the year. The meeting held specifically with management, internal auditors or external auditors must be held regularly at least once a year

Term of Office of Audit Committee

The Audit Committee members hold the term of office not over than 9 years as determined in the Audit Committee Charter.

8. Remuneration Sub-committee

Remuneration Sub-committee consists of at least 3 members, at least one of whom is an independent director. The Chairman of the Remuneration Sub-committee should be an independent director.

Role and Responsibilities of the Remuneration Committee

- 1) Consider the guidelines for determining the remuneration of directors, Chief of executive officer and Executive committee's consultant at a fair and appropriate level in relation to the duties and responsibilities of the committee. The remuneration should be enough to motivate and retain a quality committee. The committee proposes remuneration for the approval of the board of directors and the shareholders' meeting.
- 2) Perform other Board-assigned tasks.

Remuneration Sub-committee Meeting

- 1) The Remuneration Sub-committee call a meeting as it deems appropriate or at least once a year. The committee may invite management, related staff or appropriate people to attend the meeting, provide comments or send relevant/necessary documents/information.
- 2) A quorum at least two-thirds of the total remuneration members
- 3) If any director has interests in any matter on which the meeting shall pass resolution, he/she shall not be entitled to vote on such matter, except to vote on director remuneration.
- 4) The Committee decides by an absolute majority of its member present. In the event of a tie of votes, the Chairman of the Remuneration Sub-committee shall have a casting vote.

Term of Office of the Remuneration Sub-committee

The Remuneration Sub-committee members hold the office for 3 years. Retiring Directors are eligible for re-appointment by appointing by the Board of Directors.

9. Executive Committee

Executive Committee consists of at least 3 directors and Executives. They have roles and responsibilities as management team within the scope that authorized by the board of directors. This includes filtering matters that are presented to the directors for approval. The board of directors appoints the Chief Executive Officer as the chairman of the executive committee.

Role Duties and Responsibilities of the Executive Committee

Executive Committee is accountable for supervision of the operations along with objectives, policies, the Company's article of association, resolution of the Board of Directors' and shareholders' meeting as well as associate with the Board of Directors to set and review policies, objectives, strategies, annual plan including allocation resources and annual budget.

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Executive Committee Meeting

Executive Committee Meeting schedules quarterly meeting. The Committee decides by an absolute majority of its member present, excluding any conflicted members.

10. Risk Management Sub-committee

The risk management subcommittee consists of executives from various departments and will not be less than 5 persons. Members are appointed by the Board of Directors. The Committee is accountable for oversee the risk management of the company by issuing the risk management policies, strategies, and resources to makes certain the effectiveness and efficiency of the Company's Enterprise risk management. This includes assessing risk and reporting it to the audit committee for the audit committee to consider and be proposed to the board of directors at least once a quarter.

Duties and Responsibilities of the Risk Management Sub-committee

Risk Management Sub-committee is accountable for analyze the Company's business risks, evaluate and ranking risks including establishes risk management that impacts its business operations in order to mitigate risks impacts and damages. Besides, risk management has been monitored in line with the policy and framework concisely as well as prevents and avoids those risks in the future.

Furthermore, the Committee has notified the risk management policy to employees throughout the organization and discloses the risks and report on that review in the annual report.

Risk Management Sub-Committee Meeting

Risk Management Sub-Committee Meeting schedules quarterly meeting. The Committee decides by an absolute majority of its member present, excluding any conflicted members.

11. Creating Shared Value Sub-committee

subcommittee to jointly create social values that drive the creation of the shared value in the society tangentially.

Duties and Responsibilities of the Creating Shared Value Subcommittee

- 1) Establish the direction and approach of the Company in creating shared value (CSV) in society.
- 2) Execute communications to all employees, business partners, and related parties to ensure awareness, understanding, and realization of CSV.
- 3) Budget, follow-up, and evaluate the progress and results. The includes the reporting of CSV by different divisions, and reviewing plans and budgets to ensure consistent effectiveness.
- 4) Operate in accordance with the approved plans and budgets. This may include appointing personnel, divisions or establishing assignments for external experts.
- 5) Promote the constant exchange of knowledge, success, and experiences in CSV among internal and external divisions.
- 6) The creating shared value subcommittee shall meet and have consistent reporting of the operations of CSV to the Chief Executive Officer.

Creating Shared Value Sub-Committee Meeting

Creating Shared Value Sub-Committee Meeting schedules quarterly meeting. The Committee decides by an absolute majority of its member present, excluding any conflicted members.

12. The Board of Directors Evaluation

The Board of Directors provides regularly assessment of the board of directors and the subcommittees at least once a year. In 2018, the Company used the evaluation form of the Stock Exchange of Thailand for self-assessment of the Board of Directors and subcommittees that consists of 6 main topics: 1) Structure and qualifications of the board of directors 2) Duties, roles, and responsibilities 3) Board meetings 4) Operations of the board of directors 5) Relationships with management and 6) Self-development of directors and executives. Then the company secretary collected the results of the assessment and prepared the summary of the evaluations for further consideration to the board of directors. The board of directors will consider the evaluation results, analyze and find a conclusion to determine any measures that will improve the performance of the board further.

13. Chief Executive Officer Evaluation

In order to oversee and monitor the management, the Board of Directors defined that the management shall monthly present business operating results and comparison of the objectives, plan and actual performance to Executive Committee and report to the Board of Directors at least quarterly.

14. Separation of Responsibility between the Board of Directors and the Management

The Company has clearly defined the roles and responsibilities of the Board of Directors and the Management. The Board of Directors shall be responsible for formulating policies and supervising the Management, while the Management's responsible is in line with the policies. Furthermore, in order to clearly separate the roles and duties, the Chairman of the Board and the Chief Executive Officer are different persons, including separate role of governance and management as well.

Role of the Board of Directors	Role of the Management
<ul style="list-style-type: none">● Set the company's vision, mission and goal to operate business along with creating sustainable business values.● Consider and approve policies, allocation resources and annual budget that proposed by the Management. Oversee the Management's implementation of those policies and plan.	<ul style="list-style-type: none">● Operate business in accordance with the vision, mission, expected value and goal which have been approved by the Board of Directors, Executive Committee and the resolution of shareholders' meeting.

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15. Directors and Executives Development

The Board of Directors provides and orientation session for new directors, that includes all aspects of business operations. Furthermore, the Company encourages directors, executives and company secretary to join seminar to useful for their duties such as DAP (Director Accreditation Program), DCP (Director Certification Program) and Anti-Corruption: The Practical Guide (ACPG) that organized by the Thai Institute of Directors Association (IOD)

Besides, the Board of Directors fosters and facilitates directors, audit members, executives, company secretary and internal auditor to get training to improve their performances continuously.

2018, the following directors and executives underwent training and seminars.

Name	Course / Seminar
Mrs. La-aid Vongvongpop	
Thai Institute of Directors Association	Join IOD Director Briefing 1/2018 “Burning Issues Directors Need to Hear in the Year of the Dog”
	National Directors Conference 2018 “Rising Above Disruptions: A call for Action”
	Audit Committee Forum “Learn , unlearn and relearn – Audit Committee in the Age of Disruption”
	New accounting standard of financial report 2019 and 2019 (2/18)
Federation of Accounting Professions	Advance consolidated financial statements workshop
Mr. Manit Jeeradit	
Thai Institute of Directors Association	Join IOD Director Briefing 1/2018 “Burning Issues Directors Need to Hear in the Year of the Dog”
	National Directors Conference 2018 “Rising Above Disruptions: A call for Action”
Mr. Thaevan Uthavith	
Thai Institute of Directors Association	IOD Director Forum 1/2018 “Burning Issues Directors Need to Hear in the Year of the Dog”
	AGM Dinner Talk
	National Directors Conference 2018 “Rising Above Disruptions: A call for Action”
	Audit Committee Forum “Learn , unlearn and relearn – Audit Committee in the Age of Disruption”

Name	Course / Seminar
Ms. Suwanna Chokdee-anand	
Thai Institute of Directors Association	Director Certification Program (DCP 264/2018)
PacRim Group	The 4 Essential Roles of Leadership

16. Company Secretary

The board of directors appoints the company secretary who qualified to perform duties as required by laws, including various functions in compliance with good corporate governance as follows:

- 1) Provide and organize shareholders' meeting, board's meeting and committee's meeting, that are appointed by the board of directors, relevant to the laws, company's regulation and charter of each committees.
- 2) Prepare and keep director registration, notices and minutes of the board of directors, notices and minutes of shareholders' meeting, including annual reports and the Company's important documents.
- 3) Prepare and keep conflict of interest report of directors and executives and notify to the board of directors and related agencies within the specified time.
- 4) Give primary advice and suggestion to the board of directors and committees that are appointed by the board of directors, related to the laws, regulations and governance practices.
- 5) Ensuring that information disclosure and reports to comply with relevant laws, regulations and the information disclosure policy of the Company.
- 6) Contact and communicate with shareholders to disclose the Company's information and the rights of its shareholders.
- 7) Liaise with Human Resource Department to provide director orientation for new director.
- 8) Other duties and responsibilities as assigned by the board of directors.

Besides, the Company Secretary duties are to notify the Board of Directors with laws and regulations advice that they need to know and comply with as well as handling the Board of Directors activities and monitoring subsequent actions in accordance with resolutions of those meetings. The Company Secretary should attend a course at least that organized by the Thai Institute of Directors Association.

17. The highest responsibility in finance and accounting (Chief Financial Officer: CFO)

The Chief Financial Officer has meet the qualification specified by SEC and has the knowledge and experience minimum 3 years in accounting or finance within the last 5 years. Moreover, CFO should complete 12 hours of orientation and continuous accounting knowledge enhancement 6 hours per year in order to submit financial report and related report efficiently.

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18. The person supervising accounting (Chief Accountant)

Accounting and operation manager has meet the qualification specified by SEC and has a registration certificate as an Accountant with criteria specified by Department of Business Development. Minimum 3 years in accounting within the last 5 years and continuous accounting knowledge improvement training in compliance with Department of Business Development in order to submit financial report and related report efficiently.

Audit Fee

In 2018, the Board concurred with the Audit Committee recommendation to propose to the Annual General Meeting of Shareholders to appoint the EY Office Limited as its auditor for year 2018; the aforementioned Auditors are qualified approval by the Securities and Exchange Commission including independent and have no conflict of interest with the Company, its executives, major shareholders or any related persons with the aforementioned persons that affects to the Company. With proper term and conditions for audit services and fee, the shareholders' meeting appointed the auditor and auditing fee as proposed.

Audit Fee 2016 - 2018

	2018	2017	2016
Audit fee	924,000	880,000	770,000
% Change	5%	-	-
Other services	-	-	-

19. Securities and Insider Trading Policy

In 2017, the Company's Securities and Insider Trading Policy was adopted and determined that directors, executives and employees to do not use inside information in the interests of theirs own as well as related persons. As the Securities and Exchange Act B.E. 2535 (and amendments) section 59, directors and executives will acknowledge the duty to report changes in holdings of the Company's share to the Office of the Securities and Exchange Commission. The Company has the duty of disclosure corporate's information with prudent, accurate, sufficient both Thai and English version timely through the SET electronic system and the Company's website. Disclosure of material nonpublic information of the Company must be the person who is designated only.

20. Conflict of Interest Policy

The Company determined that directors, executives and related persons should report on their interest or a related person's interest for consideration by which conflict of interest may arise and use an opportunity or inside information to benefit them or operate any business competing with the Company or do something apart from their duty including trading of the Company's share. Moreover, prohibit holding shares of competing business or any business that may cause any conflict of interests between employees or member of their families with the Company, should be disclosed to the Company Secretary.

21. Anti-Corruption Policy

The Company has policy that directors, executives, employees and workers shall not be engaged in any fraud and corruption activities for benefits to themselves, families, friends and related persons both in direct and indirect actions covering any types of bribery; a receiving, offering and giving with the government sectors or private sectors that do business together or contact with. All Employees shall comply with the Code of Conduct and Anti-Corruption Practices strictly.

Guideline on Giving / Accepting Gifts

The Company has set guidelines for giving and receiving gifts or other benefits for directors, executives and employees to be put into practice by prohibiting the directors, executives and employees at all levels, including their family, to receive or give gifts or other benefits from customers, suppliers, contractors, subcontractors or those who are involved with the Company's business, unless it is a traditional gift to maintain good relationship between individuals only. If the gifts or other benefits are worth more than 3,000 Baht, they must be reported to the supervisor and a "Report on Giving or Receiving Gifts or Other Benefits" must be prepared and the gift delivered to the Human Resource Department.

Hospitality Guideline

Reception must be based on tradition and comply with the "Sufficient Economy" philosophy. It must be moderate, infrequent, and appropriate for opportunity. It must not conflict with the legal regulations and be in accordance with good corporate governance policies and the Company's codes of conduct strictly.

Charity Guideline

Donations must be for public charities or with the clear purpose of benefiting society, without any hidden agenda or receive incorrect business benefits or indirect bribery. Therefore, the Company requires that donations be approved by an authorized person in accordance with the Company's approval manual and under the framework of good corporate governance policies and codes of conduct strictly.

Financial Contribution Guideline

The Company requires an internal control process and internal audit to ensure the reasonable and transparent use of funding. The approval process and the use of funds are in accordance with internal control procedures and approval is according to the Company's approval manual. In this regard, funding requires an internal record identifying clear objectives, responsibilities, evaluations, and monitoring and reporting to the supervisor.

Reporting on Anti-Corruption Performance

The board of directors requires the preparation of a report on compliance with anti-corruption practices to be reported to the executive board on a monthly basis and to be proposed to the board of directors. It covers the communication of the anti-corruption policies, both inside and outside the organization, corruption-risk management, the giving and receiving of gifts, entertainment, charitable donations, funding, whistle-blowing and complaints.

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Political Contribution Practices

This is to say, directors, executives, and employees have the right to engage in or support political activities personally, outside of office hours, and not on behalf of the Company. The Company does not provide any support to carry out political activities of any political party. The Company is neutral, not aligning with any parties or political groups.

22. Political Contribution Policies

The company has policy that directors, executives and employees have the right to engage in or support political activities personally but the Company is neutral, not aligning with any parties or political groups and not support to carry out political activities of any political party.

23. Whistleblowing, Complaints, Concerns and Protection Measures

The Board of Directors assigned the Audit Committee to be notified complaints, tip-offs or suggestions about possible corrupt actions. In addition, the whistleblowers should specify information relating to those concerns, complaints or any suggestions as well as name, address and telephone number.

Subjects to be notified:

- Finding non-compliance to rules or dishonest business operations
- Finding fraud related to the Company, directly or indirectly, such as bribes to government officers or private agencies
- Finding misconducts against the Company's regulations or misconducts that impact the Company's internal control systems causing suspicion that it may be a channel for corruption.
- Finding actions that make the Company lose benefits and affects the Company's reputation.
- Finding actions that are illegal, unethical, or breach business ethics.
- Feedback/asking for suggestions.

Channels for Accepting Notification

- 1) Chairman of Audit Committee e-mail: ind.director@moongpattana.com
address to Chairman of Audit Committee
Moong Pattana International Public Company Limited
- 2) Chief Executive Office e-mail: suwanna@moongpattana.com
address to Chief Executive Officer
Moong Pattana International Public Company Limited
- 3) Company Secretary e-mail: company.secretary@moongpattana.com
address to Company Secretary
Moong Pattana International Public Company Limited

In case of whistle-blowers or complainants, the Chief Executive Officer or the executive committee would like you to send the complaint directly to the chairman of the audit committee.

In cases where there is an urgent complaint or matter regarding corruption, the related persons shall immediately report to the hierarchy and present it to the senior supervisor to command without delay.

Practices on Protection and Confidentiality Measures

People who blow the whistle or complain about corruption are all Company stakeholders. This includes shareholders, customers, competitors, creditors, governments, communities, society, executives, and employees. No matter how the Company is notified, the Company will not disclose the name of the whistle-blower and will keep the information of the related persons confidential. This is limited to those who are responsible for the investigation of the complaints and have access to this information.

During the investigation on the facts, the Chief Executive Officer and/or the executive committee and/or the audit committee shall, as the case may be, will take reasonable steps to ensure that the reporter is not harmed or treated unfairly as a result of blowing the whistle, complaining, witnessing, or giving information. The person receiving information from performance of duties related to the complaint shall have a duty to keep the information, complaints and evidence of the complainants and informants confidential and not disclose any information to anyone who is not involved, except disclosing by a statutory duty.

Practices on Investigation and Penalties

When accepted whistle-blowing complaint, the Chief Executive Officer, executive committee and/or the audit Committee will investigate the facts. During the investigation, the Chief Executive Officer, the executive committee and the audit committee may delegate a representative (executive committee) to periodically inform the whistle-blower or complainant of the progress.

If the investigation finds that the information or evidence is reasonable and that the accused person actually committed corruption, the Company will grant the accused the right to be informed of the allegations and grant the accused the right to prove himself by finding additional evidence or evidence showing that he was not involved in the alleged corruption. If the accused actually committed the act of corruption, such corruption shall be deemed as an offense against the anti-corruption practices and business ethics of the Company and then the accused must be investigated and disciplined according to the Company's working regulations. If the act of corruption was illegal, the offender may also be subject to legal penalties as well.

24. Policy on Supervisory of Subsidiaries and Associate Companies

For joint venture policy, the company may joint ownership with a company that may have strong potential for growth and profitable. If any investment in subsidiary, the Company would control or set a management policy including send representatives in the said company according to shareholding percentage and join the meeting as shareholders as well as cast vote along with directions that would be set by the Board of Directors. To supervise associate Company, the Board of Directors will appoint a representative of the Company as director or executive according to associate agreement to oversee the management and operating results that should be efficiency and effectively along with its business policy. The Board of Directors determined that operating results of subsidiaries and associate Companies should be report to the Company monthly.

Internal Control and Risk Management

The Assessment of the Company's Internal Control Systems is as follows

The Company greatly emphasizes the importance of the internal control system. The Company's internal audit department reviews the Company's working systems to ensure that there are sufficient internal controls and it is suitable for business operations, able to prevent damages to the Company by evaluating different aspects of the internal control systems such as corporate internal controls, risk assessment, control activities, information and communication systems and monitoring and evaluation systems.

The Audit Committee reviewed the internal control systems, followed up with the results of the assessment and the adequacy of the internal control systems according to the Securities and Exchange Commission (SEC) form and reported the evaluation results of the Company's internal control system. Management is required to report directly to the audit committee on a consistent, regular basis. Regarding the results of the annual audit in 2018, there was no identification of any significant issues or defects. Besides this, the Company also paid attention to any suggestions or comments in order to develop internal control systems for maximum efficiency.

The essence of the Company's internal controls and internal audit systems are as follows.

Part 1: Corporate Internal Controls

- 1) The board of directors and management set out guidelines and practices regarding principles of integrity and maintain work ethics that cover the daily duty's task, decision making and the treatment of business partners, customers and unrelated parties.
- 2) The board of directors supervises the establishment of clear and measurable business goals to be used as practice guidelines for employees. They were prepared by the executive committee and proposed to the board of directors.
- 3) Provide a thorough review of performance goals. This includes the possibility of achieving goals, not setting goals that motivate or reward unreasonably or may lead to fraud and misconduct. Set out goals that significantly consider the business environment.
- 4) Organize a corporate structure that enables management to operate effectively by regularly reviewing its appropriateness.
- 5) Prepare ethics and regulations in written form in order to prohibit management and employees from acting in a manner that could lead to a conflict of interest with the business and includes the prohibition of corruption that damages the organization.
- 6) The board of directors established good corporate governance policies, business ethics, and ethics for business partners and anti-corruption practice guidelines for the directors, executives and the Company's employees to adhere to. The policies were communicated and broadcast to the executives and all Company employees via the Company's website. A regular training program for these policies was also organized.

Internal Control and Risk Management

Part 2: Risk Assessment

- 1) Regularly evaluate risk assessment, both internally and externally. The risk management subcommittee consists of executives from different divisions presenting risk management to the audit committee on a quarterly basis.
- 2) Set up measures that monitor events that cause risk factors and set up measures to lower those risks.
- 3) Inform all employees regarding risk management measures so that they acknowledge and carry out these set measures and be able to follow up on the results of the implementation of these measures.
- 4) The Company complies with generally accepted accounting standards and is appropriate with the nature of its business.

Part 3: Control Activities

- 1) The Company wrote measures regarding internal controls which appropriately cover different procedures and review to comply with compliance plans, regulations and Standard Operation Procedure. For example,
 - Prepared written policies and procedures regarding financial transactions. Have a concise procurement and general management that is able to prevent corruption.
 - Clearly define the scope of powers, responsibilities and the approval of financial limits for each level of management in writing.
- 2) Clearly divide duties and responsibilities in three areas, the responsibility to approve, the responsibility to record accounts and information technology, and the responsibility to manage the storage of property in order to review the performance of one another.
- 3) Set clear and accurate measures. In the case that the Company made transactions with major shareholders, directors, executives or any related person, there should be follow up on implementation of the transaction measure in order to comply with the set up approval procedures.
- 4) The person who has the responsibility to approve shall not be a stakeholder that makes transactions with major shareholders, executive directors or any related person and they must consider the utmost benefit of the Company and think as if the transaction was made with an outsider.
- 5) In the case that there were transactions with major shareholders, directors, executives or related persons which have long-term binding effects, the monitoring process must be implemented to follow up the compliance with the agreed upon conditions.
- 6) Regularly monitor the performance of subsidiaries and associated companies. This includes setting the direction for appointed directors and executives to practice accordingly.
- 7) Set up measures that prevent the Company's operations from violating any relevant laws in order to reduce business operation risk and maintain the reputation of the Company.

Part 4: Information Technology and Communication Systems

- 1) Present sufficient important information for the board of directors to use in the decision-making process.
- 2) The Company receives meeting notifications or meeting documents that provide the necessary information 7 days prior to the meeting.

Internal Control and Risk Management

- 3) Minutes of the meeting should have sufficient details for shareholders to review the performance of the directors appropriately.
- 4) Keep complete accounting documents of accounting records and others accounts in different categories.
- 5) Conducting information security control by setting authorization permission and assigning access data levels in the system according to Segregation of Duties and Responsibilities Principle.
- 6) Provide effective communication channels within an organization such as e-mail, public relations activities and town hall presentation therefore build coordination and achieve goal setting.
- 7) The Company set up channels for complaint notification. The Company clearly defined procedures for complaint management to ensure that the complaint will be considered transparently and fairly.

Part 5: Monitoring and Evaluation Systems

- 1) The Company provides a process for monitoring compliance with business ethics and regulations prohibiting management and employees from behaving in a manner that may cause a conflict of interest.
- 2) An internal auditor is required to review and evaluate the results of the activities of internal controls in accordance with the audit plan that was approved by the audit committee. Suggestions are given to enhance the effectiveness of internal controls. Communication is done for the acknowledgement of the executives and in order to proceed with corrective action plans. The audit results are reported directly to the audit committee in order to enable internal auditors to freely perform their duties freely and reports are given straightforward every quarterly.
- 3) When any material defect is detected, it shall be reported to the board of directors/audit committee in order to consider a corrective action plan within an appropriate time.
- 4) Regularly report the progress of the corrective action plans to the board of directors/the board of audit committee.
- 5) There are policies that require management to immediately report to the board of directors in such cases as an act of corruption or suspicion of corruption occurs, a practice violates the law and another offense occurs that could significantly affect the Company's reputation or financial position.

The audit committee and the board of director are of the same opinion that the internal control systems adhere to the set out policies.

The Company appointed Mrs. Pawadee Udomsritanakorn to be the internal audit manager. The audit committee considered the approval of appointments, removals, transfers and terminations which included an evaluation of the performance to internal audit manager.

In 2018, the audit committee reviewed the internal control systems which were evaluated by the executives and internal auditors. There was no indication of any issues or defects in all material respects which was in line with the opinions of the Company's auditor.

Transactions between Related Parties

In 2018, the Company had a connected transaction with an associated company and a person who may reasonably be in conflict with the Company, with the audit committee and be responsible for auditing and commenting on the necessity, reasonableness and suitability of the price of the connected transactions. This included conditions to conform to normal trading, including the comparison of prices with an outsider. The related transactions had to comply with the measures and procedures for approval of connected transactions (February 28, 2018) which requires control of connected transactions of the Company or its associated companies with a person who may have a conflict of interest or a conflict in the future.

In addition to this, the Company imposed measures that the authorized persons cannot approve their own disbursements even within the limit of their authority. And in the case of transactions with connected persons or persons with potential conflicts of interest or interests, such persons are not allowed to approve the transactions and shall follow the procedures regarding approval authority when there is a connected transaction. In the case that there is a transaction, acquisition or disposition of assets, the approval authority on disclosures and the practice of acquiring or disposing of assets must be followed.

Detail of the Transactions

Thai Pigeon Company Limited (TP)	
Type of Business	Production and Distribution of Baby Products under Pigeon Brand such as nipples, nursers, baby bottles, and plastic parts for local and international markets.
Relationship	A joint venture between Pigeon Corporation (Japan) and the Company, in which the Company holds 47% of issued and paid-up capital, with mutual executive board
Yoshino Moong Pattana (Thailand) Company Limited (YMP)	
Type of Business	Production plastic products and packaging such as spray pumps for liquid products, bottle packaging and coated plastic for distribution in local and international markets.
Relationship	A joint venture between Yoshino Kokusho (Japan), Nomura Jimusho Inc. (Japan), and the Company, in which the Company holds 6.0% of issued and paid-up capital, with mutual director.
Pigeon Industries (Thailand) Company Limited (PIT)	
Type of Business	Production and distribution of breast pads, baby wipes, and baby bottle and nipple liquid cleanser.
Relationship	A joint venture between Pigeon Corporation and the Company, in which the Company holds 2.5% of issued and paid-up capital, with mutual director.
Sumethaporn Company Limited	
Type of Business	Consulting Firm
Relationship	Mr. Sumeth Lersumitkul and Mrs. Sureeporn Anuvatudom hold 75% and 25% respectively, of issued and paid-up capital, with mutual executive board

Transactions between Related Parties

List of Individuals that may have conflict of interest with the Company and their relationship

Individual with Potential Conflict of Interest	Relationship
Mr. Sumeth Lersumitkul	Holds the position of Chairman of the Board and is the major shareholder of the Company at 53.54%
Mrs. Sureeporn Anuvatudom	Holds the position of Joint Chief Executive Officer, and is the shareholder of the Company at 1.35%
Mr. Methin Lersumitkul	Holds the position of Business Development and Marketing Director and is the shareholder of the Company at 4.26%

Connected Transactions as of December 31, 2018

The transactions detail between the Company, associated company, and related parties for the fiscal year 2016 – 2018 Financial Statements, as the following:

Transactions of Products and Services

Seller of products/ provider of services	Buyer of products/ receipt of services	Transaction detail / Key condition	Transaction value (million baht)			Reason and Necessity / Opinion of Audit Committee
			2018	2017	2016	
The Company	YMP	The Company sources production-required raw materials and equipment for YMP and, for this service, receives 1.5% of the prices of the material / services and, in accordance to the distributor service agreement with the Company, YMP will absorb the commission fees at rate 0.3% of the net selling prices of the products that YMP sells to their customers. (revised January 1, 2014)	8.8	7.5	6.6	The Company provides raw materials and equipment for YMP at prices and conditions are in line with normal business practice. Opinion of Audit Committee: The transactions are in line with normal business practice at general market prices and standardized with revenue collection from general customers.
TP	The Company	The Company buys Pigeon products from TP such as nipples, baby bottles and others.	139.4	128.3	102.5	The Company is sole distributor of TP's products in Thailand. Opinion of Audit Committee: The transactions are in line with normal business practice at general market prices and standardized with revenue collection from general customers.
PIT	The Company	The Company buys Pigeon products such as breast pads, baby wipes, and baby bottles and nipples liquid cleanser from PIT.	106.2	96.8	101.1	The Company is sole distributor of PIT's products in Thailand. Opinion of Audit Committee: The transactions are in line with normal business practice at general market prices and standardized with revenue collection from general customers.

Transactions between Related Parties

Seller of products/ provider of services	Buyer of products/ recipient of services	Transaction detail / Key condition	Transaction value (million baht)			Reason and Necessity / Opinion of Audit Committee
			2018	2017	2016	
YMP	The Company	The Company buys plastic products from YMP such as plastic boxes and lids, powder cassette, hair dye comb, pump and sprayer for plastic bottles.	4.6	5.3	4.7	The Company buys products from YMP at prices and conditions are in line with normal business practice. Opinion of Audit Committee: The transactions are in line with normal business practice at general market prices and standardized with revenue collection from general customers.
Mr.Sumeth Lersumitkul	The Company	The Company rents office space on 18th floor (partly) and 19th floor, Bangna Complex Office Tower.	4.1	4.0	4.0	Because the original Company's office space was small and could not meet the needs of business expansion. The Company submitted a request to rent office space of Mr. Sumeth Lersumitkul at standard rate and general commercial agreements for improving it to be the new head office. Opinion of Audit Committee: The rentals are at market price. The transactions are reasonable.
Sumeth-aporn Company Limited	The Company	The Company hires a Company Advisory Director for business consulting services.	3.6	3.6	3.6	Due to changing hiring an individual person to the company that Mr. Sumeth Lersumitkul is an authorized person of the company. Opinion of Audit Committee: The advisor fees are at underlying rate. The transactions are reasonable.

Transactions of Dividends Received from Related Parties

Dividend provider	Transaction detail	Transaction value (million baht)		
		2018	2017	2016
TP	The Company received dividend income	18.8	18.8	18.8
PIT		3.3	3.1	2.5
YMP		3.3	3.2	2.2

Transactions between Related Parties

Transactions of Total Outstanding between Related Parties and the Company

Outstanding between related parties and the Company		Transaction type	Total outstanding value (million baht)		
Company	Individual / Juristic persons with total outstanding transaction		2018	2017	2016
Company	TP	Other receivables	4.2	3.0	-
		Trade payables	39.3	44.4	30.1
PIT		Other receivables	-	1.2	-
		Trade payables	0.4	-	-
		Other receivables	33.1	33.0	31.9
YMP		Trade payables	2.1	1.8	1.6
		Trade payables	1.0	0.8	0.9

Transaction of Collateral

None

Policies or Prospects for Future Connected Transactions

In the future, the Company expects that there will be ongoing connected transactions with associated companies in conducting general business with normal conditions of business. This can be referenced to business conditions of the same type that the Company deals with outsiders, such as the purchase and sale of raw materials and finished goods, lease of office buildings, etc. The connected transactions are for necessity for business operations within the group, with price policies clearly defined. The audit committee will strictly consider and audit all connected transactions in accordance with rules and regulations on disclosure, connected transactions, acquisition or disposition of assets and the accounting standards set by the Federation of Accounting Profession.

The Independent Auditor's Report

To the Shareholders of Moong Pattana International Public Company Limited

Opinion

I have audited the accompanying statements of financial position in which the equity method is applied of Moong Pattana International Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and have also audited the separate financial statements of Moong Pattana International Public Company Limited for the same period.

In my opinion, the financial statements in which equity method is applied and the separate financial statement present fairly, in all material respects, the financial position of Moong Pattana International Public Company Limited as at 31 December 2018, its 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 Company 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 judgement, 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. I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matters and how audit procedures respond for each matter are described below.

a) Revenue recognition

Revenue from sales is considered to be a significant account because the amounts recorded directly impact the Company's annual profit and loss. Moreover, the Company has numerous customers in various industries which have different commercial terms. I therefore focused on the Company's recognition of sales revenue.

I assessed the Company's revenue recognition by obtaining the understanding and evaluating the effective-

The Independent Auditor's Report

ness of the Company's internal controls related to the sales cycle. In addition, I randomly selected sales transactions occurring during the year and near the period end for testing and reviewed credit notes issued to customers after the reporting period. Lastly, I performed analytical reviews of the sales accounts and reviewed journal vouchers whether there were any unusual sales transactions.

b) Litigation

s disclosed in note to the financial statements No. 28.5, the Company has litigation regarding a distributorship agreement. The Court of First Instance and the Appeal Court have ordered the Company to pay the plaintiff damages together with interest. The Company has filed a petition with the Supreme Court. Currently, the case is in the consideration process of the Supreme Court.

Since the cases are not yet finalised, the management has to exercise judgement in determining the outcome of the litigation brought against the Company, taking into account the facts and the related legal provisions, in order to estimate the contingent liabilities resulting from the losses to be incurred. The actual results when the cases are finalised could differ from the management's estimates. Therefore, there is a risk with respect to the recognition of provision of contingent liabilities from being sued for such damage.

I inquired with the Company's management and the Company's external legal advisor regarding the progress of the pending litigation and the method applied by the management in estimating the Company's liabilities from the litigation. I discussed with the Company's management regarding the judgement exercised by management in estimating the liabilities. I reviewed the correspondence between the Company and its external legal advisor and related documentation. In addition, I sent requests for confirmation to the Company's external legal advisor to obtain a written report on the details and status of the cases and the legal advisor's opinion on the likely impact of the cases on the Company. Lastly, I reviewed the disclosures made in relation to the litigation in the note to financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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, to 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 of the Company, 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.

The Independent Auditor's Report

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may

cause the Company 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 Company and its associated (the Group) to express an opinion on the 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.

I am responsible for the audit resulting in this independent auditor's report.



Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523
EY Office Limited
Bangkok: 27 February 2019

Financial Statements

Moong Pattana International Public Company Limited

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	16,151,930	6,551,488	16,151,930	6,551,488
Trade and other receivables	8	202,378,415	187,826,887	202,378,415	187,826,887
Inventories	9	84,440,733	80,956,196	84,440,733	80,956,196
Other current assets		7,881,667	6,392,014	7,881,667	6,392,014
Total current assets		310,852,745	281,726,585	310,852,745	281,726,585
Non-current assets					
Investment in associated company	10	503,547,502	432,949,468	58,173,970	58,173,970
Other long-term investments	11	24,932,180	24,932,180	24,932,180	24,932,180
Building and equipment	12	35,846,423	37,726,401	35,846,423	37,726,401
Investment properties	13	56,113,114	77,709,864	56,113,114	77,709,864
Intangible assets	14	14,325,258	16,896,325	14,325,258	16,896,325
Deferred tax assets	22	3,780,576	3,590,916	3,780,576	3,590,916
Other non-current assets		4,986,706	5,760,750	4,986,706	5,760,750
Total non-current assets		643,531,759	599,565,904	198,158,227	224,790,406
Total assets		954,384,504	881,292,489	509,010,972	506,516,991

The accompanying notes are an integral part of the financial statements.

Financial Statements

Moong Pattana International Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Financial statements				
	in which the equity method is applied		Separate financial statements		
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	-	62,979,978	-	62,979,978
Trade and other payables	16	185,795,439	165,543,326	185,795,439	165,543,326
Current portion of finance lease liabilities	17	3,653,280	2,205,781	3,653,280	2,205,781
Other current liabilities	13	12,726,735	1,631,115	12,726,735	1,631,115
Total current liabilities		202,175,454	232,360,200	202,175,454	232,360,200
Non-current liabilities					
Finance lease liabilities - net of current portion	17	5,036,946	5,156,265	5,036,946	5,156,265
Deferred tax liability	22	18,016	18,016	18,016	18,016
Provision for long-term employee benefits	18	8,735,228	6,405,812	8,735,228	6,405,812
Other non-current liabilities		1,530,823	1,530,823	1,530,823	1,530,823
Total non-current liabilities		15,321,013	13,110,916	15,321,013	13,110,916
Total liabilities		217,496,467	245,471,116	217,496,467	245,471,116

The accompanying notes are an integral part of the financial statements.

Financial Statements

Moong Pattana International Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2018	2017	2018	2017
Shareholders' equity					
Share capital					
Registered	19				
170,254,253 ordinary shares of Baht 1 each					
(2017: 170,254,253 ordinary shares of Baht 1 each)		170,254,253	170,254,253	170,254,253	170,254,253
Issued and fully paid up					
168,432,633 ordinary shares of Baht 1 each					
(2017: 165,259,201 ordinary shares of Baht 1 each)		168,432,633	165,259,201	168,432,633	165,259,201
Share subscription received in advance	19	207,000	833,543	207,000	833,543
Share premium		36,549,097	35,969,497	36,549,097	35,969,497
Surplus on share-based payment transactions		560,587	383,935	560,587	383,935
Retained earnings					
Appropriated - statutory reserve	20	17,025,425	17,025,425	17,025,425	17,025,425
Unappropriated		514,113,295	416,349,772	68,739,763	41,574,274
Total shareholders' equity		736,888,037	635,821,373	291,514,505	261,045,875
Total liabilities and shareholders' equity		954,384,504	881,292,489	509,010,972	506,516,991
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Financial Statements

Moong Pattana International Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2018

(Unit: Baht)

	<u>Note</u>	Financial statements		Separate financial statements	
		in which the equity method is applied			
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit or loss:					
Revenues					
Sales of goods		878,686,995	795,368,472	878,686,995	795,368,472
Other income					
Commission income		12,171,002	10,548,039	12,171,002	10,548,039
Dividend income from associated company	10	-	-	18,807,520	18,807,520
Dividend income from other companies	11	6,562,000	6,328,000	6,562,000	6,328,000
Gain on sales of investment properties		28,323,002	-	28,323,002	-
Others		4,856,003	4,208,297	4,856,003	4,208,297
Total revenues		<u>930,599,002</u>	<u>816,452,808</u>	<u>949,406,522</u>	<u>835,260,328</u>
Expenses					
Cost of sales		406,370,864	380,640,555	406,370,864	380,640,555
Selling and distribution expenses		318,965,449	241,338,974	318,965,449	241,338,974
Administrative expenses		156,002,509	178,984,725	156,002,509	178,984,725
Total expenses		<u>881,338,822</u>	<u>800,964,254</u>	<u>881,338,822</u>	<u>800,964,254</u>
Profit before share of income from investment in associated company, finance cost and income tax expenses		<u>49,260,180</u>	<u>15,488,554</u>	<u>68,067,700</u>	<u>34,296,074</u>
Share of income from investment in associated company	10	89,998,781	66,600,894	-	-
Profit before finance cost and income tax expense		<u>139,258,961</u>	<u>82,089,448</u>	<u>68,067,700</u>	<u>34,296,074</u>
Finance cost		(1,311,761)	(2,022,550)	(1,311,761)	(2,022,550)
Profit before income tax expenses		<u>137,947,200</u>	<u>80,066,898</u>	<u>66,755,939</u>	<u>32,273,524</u>
Income tax expenses	22	(8,813,028)	(1,523,956)	(8,813,028)	(1,523,956)
Profit for the year		<u>129,134,172</u>	<u>78,542,942</u>	<u>57,942,911</u>	<u>30,749,568</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(1,842,444)	(1,578,791)	(1,100,910)	-
Less: Income tax effect		368,489	315,758	220,182	-
Other comprehensive income for the year		<u>(1,473,955)</u>	<u>(1,263,033)</u>	<u>(880,728)</u>	<u>-</u>
Total comprehensive income for the year		<u>127,660,217</u>	<u>77,279,909</u>	<u>57,062,183</u>	<u>30,749,568</u>
Earnings per share	24				
Basic earnings per share		0.77	0.49	0.35	0.19
Diluted earnings per share		0.77	0.47	0.35	0.18

The accompanying notes are an integral part of the financial statements.

Annual Report 2018

Moong Pattana International PCL.

Financial Statements

Moong Pattana International Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2018

	Financial statements in which the equity method is applied						(Unit: Baht)
	Issued and paid-up share capital	Share subscription received in advance	Share premium	Surplus on share-based payment transactions	Retained earnings		
					Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2016	145,832,431	10,887,443	35,269,497	128,659	15,671,987	368,632,878	576,422,895
Increase share capital	19,426,770	(10,887,443)	-	-	-	-	8,539,327
Share subscription received in advance	-	833,543	700,000	-	-	-	1,533,543
Share-based payment transactions	-	-	-	255,276	-	-	255,276
Profit for the year	-	-	-	-	-	78,542,942	78,542,942
Other comprehensive income for the year	-	-	-	-	-	(1,263,033)	(1,263,033)
Total comprehensive income for the year	-	-	-	-	-	77,279,909	77,279,909
Statutory reserve (Note 20)	-	-	-	-	1,353,438	(1,353,438)	-
Dividend paid (Note 21)	-	-	-	-	-	(28,209,577)	(28,209,577)
Balance as at 31 December 2017	165,259,201	833,543	35,969,497	383,935	17,025,425	416,349,772	635,821,373
Balance as at 31 December 2017	165,259,201	833,543	35,969,497	383,935	17,025,425	416,349,772	635,821,373
Increase share capital (Note 19)	3,173,432	(833,543)	-	-	-	-	2,339,889
Share subscription received in advance (Note 19)	-	207,000	579,600	-	-	-	786,600
Share-based payment transactions	-	-	-	176,652	-	-	176,652
Profit for the year	-	-	-	-	-	129,134,172	129,134,172
Other comprehensive income for the year	-	-	-	-	-	(1,473,955)	(1,473,955)
Total comprehensive income for the year	-	-	-	-	-	127,660,217	127,660,217
Dividend paid (Note 21)	-	-	-	-	-	(29,896,694)	(29,896,694)
Balance as at 31 December 2018	168,432,633	207,000	36,549,097	560,587	17,025,425	514,113,295	736,868,037

The accompanying notes are an integral part of the financial statements.

Moong Pattana International Public Company Limited
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

	Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Share subscription received in advance	Share premium	Surplus on		
				share-based payment transactions	Retained earnings	
				Appropriated - statutory reserve	Unappropriated	Total
Balance as at 31 December 2016						
Increase share capital	145,832,431	10,887,443	35,269,497	128,659	15,671,987	40,387,721
Share subscription received in advance	19,426,770	(10,887,443)	-	-	-	-
Share-based payment transactions	-	833,543	700,000	-	-	-
Profit for the year	-	-	-	255,276	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Statutory reserve (Note 20)	-	-	-	-	1,353,438	(1,353,438)
Dividend paid (Note 21)	-	-	-	-	-	(28,209,577)
Balance as at 31 December 2017	165,259,201	833,543	35,969,497	383,935	17,025,425	261,045,875
Balance as at 31 December 2017						-
Increase share capital (Note 19)	165,259,201	833,543	35,969,497	383,935	17,025,425	261,045,875
Share subscription received in advance (Note 19)	3,173,432	(833,543)	-	-	-	-
Share-based payment transactions	-	207,000	579,600	-	-	-
Profit for the year	-	-	-	176,652	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Dividend paid (Note 21)	-	-	-	-	-	-
Balance as at 31 December 2018	168,432,633	207,000	36,549,097	560,587	17,025,425	291,514,505

The accompanying notes are an integral part of the financial statements.

Financial Statements

Moong Pattana International Public Company Limited

Cash flows statement

For the year ended 31 December 2018

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	137,947,200	80,066,898	66,755,939	32,273,524
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	13,792,610	13,995,379	13,792,610	13,995,379
Allowance for doubtful accounts (reversal)	1,191,866	(166,585)	1,191,866	(166,585)
Reversal allowance for diminution in value of inventories	(892,674)	(1,883,325)	(892,674)	(1,883,325)
Unrealised loss (gain) on exchange	7,162	(97,621)	7,162	(97,621)
Loss (gain) on sale of assets	(679,024)	22,316	(679,024)	22,316
Gain on sales of investment properties	(28,323,002)	-	(28,323,002)	-
Reversal impairment of investment properties	-	(400,000)	-	(400,000)
Provision for long-term employee benefits	1,555,241	590,004	1,555,241	590,004
Share-based payment transactions	176,652	255,276	176,652	255,276
Dividend received from investment in associated company	-	-	(18,807,520)	(18,807,520)
Dividend received from investment in other companies	(6,562,000)	(6,328,000)	(6,562,000)	(6,328,000)
Share of income from investment in associated company	(89,998,781)	(66,600,894)	-	-
Interest expenses	1,311,761	2,022,550	1,311,761	2,022,550
Profit from operating activities before changes in operating assets and liabilities	29,527,011	21,475,998	29,527,011	21,475,998
Operating assets decrease (increase)				
Trade and other receivables	(15,743,394)	(34,788,951)	(15,743,394)	(34,788,951)
Inventories	(2,591,863)	2,343,338	(2,591,863)	2,343,338
Other current assets	(1,489,653)	(157,785)	(1,489,653)	(157,785)
Other non-current assets	28,540	95,144	28,540	95,144
Operating liabilities increase (decrease)				
Trade and other payables	20,259,808	18,924,711	20,259,808	18,924,711
Other current liabilities	8,376,036	(240,610)	8,376,036	(240,610)
Cash flows from operating activities	38,366,485	7,651,845	38,366,485	7,651,845
Cash paid for long - term employee benefits	(326,735)	-	(326,735)	-
Cash paid for interest expenses	(1,326,618)	(1,979,707)	(1,326,618)	(1,979,707)
Cash paid for corporate income tax	(6,062,923)	(1,992,694)	(6,062,923)	(1,992,694)
Net cash flows from operating activities	30,650,209	3,679,444	30,650,209	3,679,444

The accompanying notes are an integral part of the financial statements.

Financial Statements

Moong Pattana International Public Company Limited

Cash flows statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2018	2017	2018	2017
Cash flows from investing activities				
Dividend received from investment in associated company	18,807,520	18,807,520	18,807,520	18,807,520
Dividend received from investment in other companies	6,562,000	6,328,000	6,562,000	6,328,000
Acquisitions of assets	(4,232,739)	(2,526,622)	(4,232,739)	(2,526,622)
Proceeds on sales of assets	766,128	20,109	766,128	20,109
Proceeds on sales of investment properties	49,919,752	-	49,919,752	-
Decrease in short-term investment	-	31,166	-	31,166
Decrease (increase) in intangible assets	(346,500)	269,339	(346,500)	269,339
Net cash flows from investing activities	71,476,161	22,929,512	71,476,161	22,929,512
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(62,979,978)	(27,020,022)	(62,979,978)	(27,020,022)
Repayment of finance lease liabilities	(2,775,745)	(4,020,948)	(2,775,745)	(4,020,948)
Proceeds from increase in share capital	2,339,889	8,539,327	2,339,889	8,539,327
Proceeds from share subscription received in advance	786,600	1,533,543	786,600	1,533,543
Dividend paid	(29,896,694)	(28,209,577)	(29,896,694)	(28,209,577)
Net cash flows used in financing activities	(92,525,928)	(49,177,677)	(92,525,928)	(49,177,677)
Net increase (decrease) in cash and cash equivalents	9,600,442	(22,568,721)	9,600,442	(22,568,721)
Cash and cash equivalents at beginning of year	6,551,488	29,120,209	6,551,488	29,120,209
Cash and cash equivalents at end of year	16,151,930	6,551,488	16,151,930	6,551,488
	-	-	-	-
Supplemental cash flows information				
Non-cash transaction:				
Purchases of motor vehicle under finance lease liabilities	4,103,925	4,616,094	4,103,925	4,616,094

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

Moong Pattana International Public Company Limited

Notes to financial statements

For the year ended 31 December 2018

1. General information

Moong Pattana International Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of baby and infant products, and other products, and its registered address is No. 2/97-104, 18th - 19th Floor, Bangnacomplex Office Tower, Soi Bangna-Trad 25, Bangnanuea, Bangna, Bangkok and a branch is located at No. 444/11, Moo 7, Bangpha, Bangplee, Samutprakarn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

- 2.2 The separate financial statements present investments in associated company under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company believes that the adoption of this accounting standard will not have any significant impact on the financial statements. However, the management have determined that adoption will result in reclassification of certain selling and distribution expenses presented in the statement of income, which will be presented as deductions against revenue from sales to comply with this accounting standard.

Notes to Financial Statements

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Commission income

Commission income are recognised when services have been rendered taking into account the stage of completion.

Dividends

Dividends are recognised when the rights to receive the dividends is established.

Notes to Financial Statements

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value and includes all inventory costs, labor costs and attributable factory overheads. Packing materials are valued at the lower of weighted average cost and net realisable value and are charged to costs of finished goods whenever consumed.

4.5 Investments

- a) Investment in associated company is accounted for in the financial statements, in which equity method is applied, using the equity method.
- b) Investment in associated company is accounted for in the separate financial statements using the cost method.
- c) Investments in non-marketable equity securities, which the Company classifies as other long-term investments, are stated at cost net of allowance for impairment loss (if any).

4.6 Building and equipment/ Depreciation

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	3 - 20 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 7 years

Depreciation is included in determining income.

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

Notes to Financial Statements

4.7 Investment properties

The Company presented its land and building not used in operation as investment properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties, which are buildings is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided for investment property which is land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged in profit or loss.

A summary of the intangible assets with finite useful lives are as follows.

	Useful lives
Computer software	5 and 10 years

4.9 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to their costs on a straight-line basis over the period of the lease which is 30 years.

The amortisation is included in determining income.

4.10 Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of motor vehicles which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the leased asset and the lease period.

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of building and equipment, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Notes to Financial Statements

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other long-term employee benefits. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs

4.14 Share-based payment

Issues and offerings of equity instruments of the Company to various parties (including employees) are recognised as share-based payment transactions, unless the issuance is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value of the shares at the transfer date over the transfer price as an expense in profit or loss, and as surplus on for share-based payment transactions in shareholder's equity.

4.15 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

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

4.17 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currency are translated into Baht at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

Notes to Financial Statements

4.18 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Notes to Financial Statements

Inventories

The management uses judgement to estimate the allowance for net realisable value of inventories taking into consideration the fluctuations of price or cost directly relating to events occurring after the reporting date.

The management uses judgement to estimate the allowance for obsolete inventories by considering obsolete or deteriorated inventories.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate and price inflation rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those companies.

	2018	2017	(Unit: Million Baht)
			Pricing policy
<u>Transactions with associated company</u>			
Purchases of goods	139	128	Cost plus margin
<u>Transactions with related companies</u>			
Purchase of raw material	111	102	Cost plus margin
Commission income	9	8	0.3 percent of net selling price of product sold and 1.5 percent of costs of service rendered
Advisory fee	4	4	Agreed rate
<u>Transactions with related person</u>			
Rental expenses	4	4	Agreed rate

Notes to Financial Statements

The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Other receivables - related parties (Note 8)		
Associated company	4,173	3,021
Related companies (related by common directors)	2,503	3,051
Total other receivables - related parties	6,676	6,072
Trade and other payables - related parties (Note 16)		
Associated company	39,339	44,408
Related companies (related by common directors)	34,107	33,796
Total trade and other payables - related parties	73,446	78,204

Directors and management's remuneration

During the years ended 31 December 2018 and 2017, the employee benefit expenses payable to the Company's directors and management are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Short-term employee benefits	32,920	31,264
Post-employment benefits	447	443
Total	33,367	31,707

Retirement remuneration of Chief Executive Officer

On 9 August 2017, the Board of Director's meeting approved the payment of a retirement compensation to grant the former Chief Executive Office one used vehicle which has a market value of Baht 1.1 million.

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2018	2017
Cash	50	65
Cash at banks - current accounts	1,873	382
Cash at banks - savings accounts	14,229	6,104
Total	16,152	6,551

As at 31 December 2018, bank deposits in savings accounts carried interests between 0.13 and 0.38 percent per annum (2017: between 0.09 and 0.38 percent per annum).

Notes to Financial Statements

8. Trade and other receivables

The balances of trade and other receivables as at 31 December 2018 and 2017, aged on the basis of due dates, are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Trade receivables - unrelated parties		
Net yet due	135,376	122,836
Past due		
Not over 3 months	54,238	57,451
3 - 6 months	529	527
6 - 12 months	1,106	13
Over 12 months	921	699
Total	192,170	181,526
Less: Allowance for doubtful accounts	(2,140)	(948)
Total trade receivables - net	190,030	180,578
Other receivables - related party (Note 6)	6,676	6,072
Others	5,914	1,419
Total	12,590	7,491
Less: Allowance for doubtful accounts	(242)	(242)
Total other receivables - net	12,348	7,249
Total trade and other receivables - net	202,378	187,827

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventory - net	
	2018	2017	2018	2017	2018	2017
Finished goods	63,661	60,854	(1,749)	(2,732)	61,912	58,122
Work in process	13,560	18,400	(83)	(99)	13,477	18,301
Packing materials	3,127	3,271	(216)	(110)	2,911	3,161
Goods in transit	6,141	1,372	-	-	6,141	1,372
Total	86,489	83,897	(2,048)	(2,941)	84,441	80,956

During the current year, the Company has reversed the write-down of cost of inventories by Baht 1 million (2017: reduced the cost of inventories by Baht 2 million), which were included in cost of sales.

Notes to Financial Statements

10. Investments in an associate

10.1 Details of an associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Paid up share capital		Percentage of shareholding		Investment in associated company under equity method		Investment in associated company under cost method	
		2018	2017	2018	2017	2018	2017	2018	2017
				(%)	(%)				
Thai Pigeon Company Limited	The manufacture and distribution of baby and infant products	122,000	122,000	47	47	503,547	432,949	58,174	58,174
Total						503,547	432,949	58,174	58,174

10.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associated company in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profit from investments in associate during the year		Share of other comprehensive income from investments in associate during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
Thai Pigeon Company Limited	89,999	66,601	(593)	(1,263)	18,808	18,808

10.3 Summarised financial information about material associate

Summarised information about financial position as at 31 December 2018 and 2017.

(Unit: Million Baht)

	2018	2017
Current assets	997	852
Non-current assets	235	196
Current liabilities	126	98
Non-current liabilities	35	29
Net assets	1,071	921
Shareholding percentage (%)	47%	47%
Share of net assets	503	433
Elimination entries	-	-
Carrying amounts of associate based on equity method	503	433

Notes to Financial Statements

Summarised information about comprehensive income for the years ended 31 December 2018 and 2017.

	(Unit: Million Baht)	
	2018	2017
Revenue	987	867
Profit	191	142
Other comprehensive income	(1)	(3)
Total comprehensive income	190	139

11. Other long-term investments

(Unit: Thousand Baht)									
Company's name	Nature of business	Paid up share capital		Percentage of Shareholding		Other long-term investments			
						under cost method		Dividend received	
		2018	2017	2018	2017	2018	2017	2018	2017
						(%)	(%)		
Yoshino Moong Pattana (Thailand) Company Limited	The manufacture of plastic and plastic coated products	300,000	300,000	6	6	21,332	21,332	3,312	3,078
Pigeon Industries (Thailand) Company Limited	The manufacture and distribution of breast pad and baby wipes products	144,000	144,000	2.5	2.5	3,600	3,600	3,250	3,250
Total						24,932	24,932	6,562	6,328

Notes to Financial Statements

12. Building and equipment

(Unit: Thousand Baht)

	Building and building improvement	Machinery and equipment	Furniture, fixtures, and office equipment	Motor vehicles	Total
Cost					
31 December 2016	19,646	351	31,840	26,598	78,435
Additions	-	-	1,197	5,946	7,143
Disposals	-	-	(1,897)	(4,162)	(6,059)
31 December 2017	19,646	351	31,140	28,382	79,519
Additions	-	-	2,967	5,369	8,336
Disposals	-	(180)	(6,340)	(2,230)	(8,750)
31 December 2018	19,646	171	27,767	31,521	79,105
Accumulated depreciation					
31 December 2016	1,017	257	(19,920)	16,416	37,610
Depreciation for the year	1,755	39	3,862	4,544	10,200
Depreciation on disposals	-	-	(1,855)	(4,162)	(6,017)
31 December 2017	2,772	296	21,927	16,798	41,793
Depreciation for the year	1,754	21	3,166	5,188	10,129
Depreciation on disposals	-	(147)	(6,286)	(2,230)	(8,663)
31 December 2018	4,526	170	18,807	19,756	43,259
Net book value					
31 December 2017	16,874	55	9,213	11,584	37,726
31 December 2018	15,120	1	8,960	11,765	35,846
Depreciation for the year					
2017 (Baht 0.04 million included in cost of sales, and the balance in selling and distribution, and administrative expenses)					10,200
2018 (Baht 0.02 million included in cost of sales, and the balance in selling and distribution, and administrative expenses)					10,129

As at 31 December 2018, certain equipment and motor vehicles items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 12 million (2017: Baht 20 million).

As at 31 December 2018, the Company had transportation vehicles under finance lease agreements with net book values amounting to Baht 9 million (2017: Baht 7 million).

Notes to Financial Statements

13. Investment properties

Investment properties represent land and building not used in operations. The Company stated investment properties at cost less allowance for loss on impairment.

As at 31 December 2018 and 2017, the balances of investment properties are as follows:

(Unit: Thousand Baht)

As at 31 December 2018:

Cost	62,995
Less: Allowance for loss on impairment	(6,882)
Net book value	<u>56,113</u>

As at 31 December 2017:

Cost	84,592
Less: Allowance for loss on impairment	(6,882)
Net book value	<u>77,710</u>

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	2018	2017
Net book value at the beginning of year	77,710	77,310
Reversal allowance for loss on impairment	-	400
Disposal during the period - net book value	(21,597)	-
Net book value at the end of year	<u>56,113</u>	<u>77,710</u>

In 2016, the Company engaged an independent professional valuer to appraise the fair value of the land and building not used in operations by using the market approach. Based on the results the fair market value of the land and building was Baht 103 million.

On 8 November 2018, the Company entered into an agreement to buy and sell investment properties such as land and buildings with a third party amounting to Baht 78 million by receiving advance payment of Baht 8 million and recording as a part of other current liabilities. Subsequently, on 8 February 2019, the Company received the remaining payment of Baht 70 million and transferred the ownership to the buyer. The Company recognised gain on sales of the investment properties of approximately Baht 50 million in the year 2019.

Notes to Financial Statements

14. Intangible assets

Details of intangible assets which is computer software are as follows.

(Unit: Thousand Baht)

As at 31 December 2018:

Cost	27,335
Less: Accumulated amortisation	(13,010)
Net book value	14,325

As at 31 December 2017:

Cost	30,487
Less: Accumulated amortisation	(13,591)
Net book value	16,896

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	2018	2017
Net book value at the beginning of year	16,896	20,216
Acquisition of computer software	347	-
Write-off of computer software	-	(269)
Amortisation for the year	(2,918)	(3,051)
Net book value at the end of year	14,325	16,896

15. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest (percent per annum)	2018	2017
Promissory notes	2.5	-	62,980
Total		-	62,980

As at 31 December 2018, the short-term credit facilities of the Company from financial institutions which have not yet been drawn down amounting to Baht 395 million (2017: Baht 143 million).

Notes to Financial Statements

16. Trade and other payables

	(Unit: Thousand Baht)	
	2018	2017
Trade payables - related parties (Note 6)	73,446	78,204
Trade payables - unrelated parties	34,340	16,406
Other payables	25,960	21,641
Accrued expenses	52,049	49,292
Total trade and other payables	185,795	165,543

17. Finance lease liabilities

	(Unit: Thousand Baht)	
	2018	2017
Liabilities under finance lease agreements	9,305	7,990
Less: Deferred interest expenses	(615)	(628)
Total	8,690	7,362
Less: Portion due within one year	(3,653)	(2,206)
Liabilities under finance lease agreements - net of current portion	5,037	5,156

The Company has entered into the finance lease agreements for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the non-cancellable finance lease agreements are as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3,945	5,360	9,305
Deferred interest expenses	(292)	(323)	(615)
Present value of future minimum lease payments	3,653	5,037	8,690

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,556	5,434	7,990
Deferred interest expenses	(350)	(278)	(628)
Present value of future minimum lease payments	2,206	5,156	7,362

Notes to Financial Statements

18. Provision for long-term employee benefits

As at 31 December 2018 and 2017, provision for long-term employee benefits was as follows:

	(Unit: Thousand Baht)		
	Employee retirement benefits	Other long-term employee benefits	Total
Provision for long-term employee benefits			
as at 1 January 2017	5,816	-	5,816
<i>Included in profit or loss:</i>			
Current service cost	357	-	357
Interest cost	233	-	233
Provision for long-term employee benefits			
as at 31 December 2017	6,406	-	6,406
<i>Included in profit or loss:</i>			
Current service cost	485	-	485
Interest cost	336	-	336
Past service costs	-	734	734
<i>Included in other comprehensive income:</i>			
Actuarial loss arising from			
Financial assumptions changes	588	-	588
Experience adjustments	513	-	513
Benefits paid during the year	(195)	(132)	(327)
Provision for long-term employee benefits			
as at 31 December 2018	8,133	602	8,735

The Company expect to pay Baht 0.1 million of long-term employee benefits during the next year.

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2017: 8 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2018	2017
Discount rate	2.85	2.29
Salary increase rate	6.00	6.18
Turnover rate	0 - 39	0 - 27

Notes to Financial Statements

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 are summarised below:

	(Unit: Thousand Baht)	
	Increase 0.5%	Decrease 0.5%
Discount rate	(195)	204
Salary increase rate	194	(187)
Turnover rate	(181)	202

On 13 December 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 not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 2.2 million. The Company will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective.

19. Registered capital

In June 2018, the warrant holders exercised the Warrant No. 1 totaling Baht 2.3 million and the Company issued 2.3 million ordinary shares at Baht 1 per share to those warrant holders. The Company registered the subscription of the newly issued and fully paid up shares with the Ministry of Commerce on 8 June 2018.

In December 2018, the warrant holders exercised the ESOP warrants totaling 0.2 million shares with the value of Baht 3.80 each and the Company issued 0.2 million ordinary share with the value of Baht 1 each to those warrant holders. The Company recorded cash receipts as share subscription received in advance as at 31 December 2018. Subsequently, the Company registered the subscription of the newly issued and fully paid up shares with the Ministry of Commerce on 7 January 2019.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

Notes to Financial Statements

21. Dividend

On 26 April 2017, the Annual General Meeting of the Company's shareholders has approved the payment of a dividend of Baht 0.18 per share, totaling Baht 28 million, to the shareholders from the 2016 operating results. The dividend was paid on 23 May 2017.

On 26 April 2018, the Annual General Meeting of the Company's shareholders has approved the payment of a dividend of Baht 0.18 per share, totaling Baht 30 million, to the shareholders from the 2017 operating results. The dividend was paid on 23 May 2018.

22. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Financial statements in which		Separate	
	the equity method is applied		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	8,851	1,136	8,851	1,136
Adjustment in respect of income tax				
of previous year	(69)	(29)	(69)	(29)
Deferred tax:				
Relating to origination and reversal of temporary				
differences	31	417	31	417
Income tax expenses reported in the statement				
 of comprehensive income	<u>8,813</u>	<u>1,524</u>	<u>8,813</u>	<u>1,524</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Financial statements in		Separate	
	which the equity method		financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial losses	(220)	-	(220)	-
	<u>(220)</u>	<u>-</u>	<u>(220)</u>	<u>-</u>

Notes to Financial Statements

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	137,947	80,067	66,756	32,274
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	27,589	16,013	13,351	6,455
Adjustment in respect of income tax of previous year	(69)	(29)	(69)	(29)
Effects of:				
Exemption of income	(1,312)	(1,265)	(5,074)	(5,027)
Share of gain from investment in associate	(18,000)	(13,320)	-	-
Non-deductible expenses	1,539	875	1,539	875
Additional expense deductions allowed	(694)	(575)	(694)	(575)
Others	(240)	(204)	(240)	(204)
Total	(18,707)	(14,489)	(4,469)	(4,931)
Income tax expenses reported in the statement of comprehensive income	8,813	1,524	8,813	1,524

The components of deferred tax assets and deferred tax liability are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied / separate financial statements	
	2018	2017
Deferred tax assets		
Allowance for doubtful accounts	182	194
Allowance for diminution in value of inventories	410	588
Allowance for impairment loss on investment properties	1,376	1,376
Provision for long-term employee benefits	1,747	1,299
Others	65	134
Total	3,780	3,591
Deferred tax liability		
Actuarial gains	18	18
Total	18	18

Notes to Financial Statements

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Salaries, wages, and other employee benefits	165,804	149,929
Sales promotion expenses	125,728	117,203
Depreciation and amortisation expenses	13,793	13,995
Transportation expenses	26,137	24,247
Warehouse management expenses	9,749	7,718
Inventories and consumables used	214,909	188,705
Changes in finished goods and work in process	(2,033)	1,930

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period.

The following table sets forth the computation of basic and diluted earnings per share:

	Financial statements in which equity method is applied					
	Profit for the years ended		Weighted average		Earnings	
	31 December		number of ordinary shares		per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the year	129,134	78,543	167,510	161,128	0.77	0.49
Effect of dilutive potential ordinary shares						
Warrant No.1	-	-	-	6,300		
ESOP	-	-	184	645		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	129,134	78,543	167,694	168,073	0.77	0.47

Notes to Financial Statements

	Separate financial statements					
	Profit for the years ended		Weighted average		Earnings	
	31 December		number of ordinary shares		per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the year	57,943	30,750	167,510	161,128	0.35	0.19
Effect of dilutive potential ordinary shares						
Warrant No.1	-	-	-	6,300		
ESOP	-	-	184	645		
Diluted earnings per share						
Profit attributable to ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	57,943	30,750	167,694	168,073	0.35	0.18

25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its product categories and has the following two reportable segments:

1. Distribution of baby and infant products
2. Distribution of other products

Notes to Financial Statements

The following tables present revenue and profit and total assets/total liabilities information regarding the Company's operating segments for the years ended 31 December 2018 and 2017 are as follow:

(Unit: Million Baht)

	Financial statements in which the equity method is applied					
	Distribution of baby and infant products		Distribution of other products		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Revenue from external customers	699	628	180	167	879	795
Total revenues	<u>699</u>	<u>628</u>	<u>180</u>	<u>167</u>	<u>879</u>	<u>795</u>
Segment profit	<u>122</u>	<u>137</u>	<u>31</u>	<u>36</u>	<u>153</u>	<u>173</u>
Unallocated income and expenses:						
Commission income					12	11
Dividend income from other companies					7	6
Gain on sales of investment properties					28	-
Other income					5	4
Administrative expenses					(156)	(179)
Share of income from investment in associated company					90	67
Finance cost					(1)	(2)
Profit before income tax expenses					<u>138</u>	<u>80</u>
Income tax expenses					(9)	(1)
Profit for the year					<u>129</u>	<u>79</u>

(Unit: Million Baht)

	Financial statements in which the equity method is applied					
	Distribution of baby and infant products		Distribution of other products		Total	
	2018	2017	2018	2017	2018	2017
Trade and other receivables	147	137	55	51	202	188
Inventories	56	55	28	26	84	81
Investment in an associate					503	433
Building and equipment					36	38
Others assets					129	141
Segment total assets					<u>954</u>	<u>881</u>
Segment total liabilities					<u>217</u>	<u>245</u>

Geographic information

The Company operates exclusively in the single geographic area of Thailand. As a result, most of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers information

In 2018, the Company had revenue from two major customers, one in amount of Baht 147 million (2017: Baht 142 million) and the other in amount of Baht 98 million (2017: Baht 89 million), and mainly arising from sales of baby and infant products.

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018, amounting to Baht 3 million (2017: Baht 3 million) were recognised as expenses.

27. Warrants to purchase new ordinary shares of the Company

27.1 Warrants to purchase new ordinary shares to existing shareholders

On 30 April 2015, the Annual General Meeting of the shareholders approved to issue and offer 24 million units of the Company's ordinary share warrants, (Warrant No.1) free of charge to the existing shareholders in proportion to their existing shareholding (rights offering), at rate of 1 warrant for every 5 existing ordinary shares (with fractional shares to be rounded down). The exercise price is set at Baht 1 per ordinary share (unless it is adjusted) and the exercise period is 3 years from the date the warrants are issued and offered. The warrants can be exercised on the last business day of June and December of each calendar year.

On 26 April 2018, the Annual General Meeting of the Company's shareholders approved the dividend payment (Note 21). As a result of this resolution, the Company is required to adjust the rights of Warrant No.1 as follows:

Effect from	Existing exercise rights		Adjusted exercise rights		Effective date
	Exercise ratio	Exercise price	Exercise ratio	Exercise price	
	(Ordinary shares per warrant)	(Baht per ordinary share)	(Ordinary shares per warrant)	(Baht per ordinary share)	
Dividend payment	1.00750	1.000	1.01010	1.000	7 May 2018

Notes to Financial Statements

The adjustment revision is made to protect and maintain the rights and benefits of existing warrant holders (Warrant No. 1).

Presented below is a summary of movement in the number of warrants during the year.

	Unit
Outstanding as at 31 December 2017	2,423,691
Exercised during the year 2018	(2,316,535)
Outstanding as at 30 June 2018	107,156

The last business day of June 2018 was the last day for exercise the warrants, therefore the remaining warrants of 107,156 units could not be exercised due to the expiry of warrants.

27.2 Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company (ESOP)

On 25 April 2016, the Annual General Meeting of the Company's shareholders approved to issue and offer 2 million warrants to purchase the Company's ordinary shares to the Company's Board of Directors, management, and employees (ESOP warrants) at no cost. Details of the warrants are summarised below.

Date of grant	5 September 2016
Number granted (Units)	2,000,000
Contractual lives	5 years from the date of issuance
Exercisable	The first 4 exercise dates on the last business day of December of each calendar year and the final exercise date on the maturity date of the warrants
Exercise price per 1 ordinary share	3.80 Baht (Unless it is adjusted in accordance with the conditions of any right adjustment)
Exercise ratio (warrant to ordinary shares)	1:1

The average estimated fair value of each warrant granted is Baht 1.0211. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 4.86, exercise price of Baht 3.80, expected volatility of 0.0144 percent, expected dividend yield of 3.09 percent, contractual life of five years, and a risk-free interest rate of 1.496 - 1.847 percent.

Notes to Financial Statements

Presented below is a summary of movement in the number of warrants during the year.

	Unit
Outstanding as at 31 December 2017	876,000
Exercised during the year 2018	(207,000)
Outstanding as at 31 December 2018	669,000

As at 31 December 2018, the Company has the unissued warrants of ESOP totaling 450,000 units.

28. Commitments and contingent liabilities

28.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of building, the lease of equipment and relating services. The terms of the agreements are generally between 1 and 7 years.

As at 31 December 2018 and 2017, future minimum lease payments under these non-cancellable operating leases agreements were as follows.

	(Unit: Million Baht)	
	2018	2017
Payable:		
less than 1 year	11	8
In over 1 and up to 5 years	23	8
In over 5 year	1	2

28.2 Hire a specialist commitment

The Company has entered into an agreement to hire a specialist with a local related company (related by common shareholders and directors).

As at 31 December 2018, the Company has future commitments to pay an advisory fee under this agreement totaling of Baht 2 million (2017: Baht 2 million).

28.3 Marketing research service commitment

The Company has entered into agreements with two local companies in respect of marketing research of the Company's products.

The future minimum service fee payable under these agreements as at 31 December 2018 is approximately Baht 8 million (2017: Baht 4 million).

28.4 Long-term service commitment

The Company entered into an agreement with an overseas company (which is the major shareholder of the associated a company) regarding using the trademark of that company. Under this agreement, the Company is to pay this company royalty fee determined at 3 percent of the sales of that goods. The royalty fees under this agreement for the year ended 31 December 2018 amounting to approximately Baht 29 million (2017: Baht 26 million) were recognised as expenses.

28.5 Litigation

In April 2012, an unconnected company filed a lawsuit against the Company, alleging that the Company had failed to comply with a distributorship agreement, and demanding compensatory damages of Baht 87 million. The Company countersued that company, seeking compensatory damages of Baht 196 million.

On 14 May 2014, the Court of First Instance ordered the Company pay the plaintiff company damages of Baht 6 million, together with interest of 7.5 percent per annum from 4 August 2011 until the debt is fully paid.

On 8 September 2014, the Company appealed the case to the Appeal Court, and on 28 June 2016 and the Appeal Court upheld the judgment of the Court of First Instance. The Appeal Court ordered the Company to pay the plaintiff company damages of Baht 6 million, together with interest of 7.5 percent per annum from 4 August 2011 until the debt is fully paid.

On 18 November 2016, the Company has filed a petition to the Supreme Court to sue that the plaintiff had failed to comply with a distributorship agreement and had to pay compensatory damages to the Company of Baht 196 million. Currently, the case is in the consideration process of the Supreme Court. The management and the Company's external legal advisor believe that the Company has high chance to win the case because the Appeal Court did not bring the useful important critical issues which were raised in the Company's appeal for the consideration of the appeal judgement. This judgement consideration of the Appeal Court was not compiled with the Civil Procedure Code. Therefore, the management and the Company's external legal advisor are confident that the Supreme Court will bring those important critical issues for consideration which are in favour of the Company and order the plaintiff to pay the damage to the Company according to the Company's countersue complaint. Therefore, no provision has been made for the contingent liability in the financial statements.

29. Fair value hierarchy

As at 31 December 2018, the Company had certain assets that were disclosed at fair value using different level inputs (as mentioned in Note 4.18 to the financial statements) as follows:

(Unit: Million Baht)

	Financial statements in which equity method is applied / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	103	-	103

30. Financial instruments

30.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, short-term loans, trade and other payables, and finance lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and short-term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates which are close to the market rate, the interest rate risk is expected to be minimal. The details of cash at banks and short-term loans are set out in Note 7 and Note 15 to the financial statements.

Foreign currency risk

The Company has low risk exposure to foreign currency since the outstanding balance of the Company's financial liabilities denominated in foreign currency in the statement of financial position at the end of reporting period was immaterial amount.

30.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

31. Capital management

The primary objectives of the Company's capital are to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2018, the debt to equity ratio in the financial statements in which equity method is applied was 0.30:1 (2017: 0.39:1) and in the separate financial statements is applied was 0.75:1(2017: 0.94:1).

32. Even after the reporting period

- a) On 20 February 2019, the Annual General Meeting of Shareholders of the associated company passed the resolution to approve a dividend payment of Baht 41 per share from the its operating results for the year 2018, totaling of approximately Baht 50.02 million.
- b) On 27 February 2019, the meeting of the Company's Board of Directors passed significant resolutions to propose to the Annual General Meeting of the shareholders as the follows:
 - 1) Approval the payment of a dividend of Baht 0.26 per share from operating results of the year 2018, totaling approximately Baht 43.85 million.
 - 2) Approval the increase in the Company's registered share capital under a general mandate of Baht 50.59 million.
 - 3) Issue and offer 2 million warrants to purchase the Company's ordinary shares to the Company's Board of Directors, management and employees (ESOP#2) free of charge.
 - 4) A decrease in the Company's registered share capital from Baht 170.25 million (170.25 million ordinary shares of Baht 1 each) to Baht 170.06 million (170.06 million ordinary shares of Baht 1 each) by cancelling 0.19 million ordinary shares registered but unissued shares with the par value of Baht 1 per share which were reserved for the Warrants No.1.

5) An increase in the Company's registered share capital from Baht 170.06 million (170.06 million ordinary shares of Baht 1 each) to Baht 222.65 million (222.65 million ordinary shares of Baht 1 each) by issuing 52.59 million new ordinary shares at a par value of Baht 1 each by consider to allocation as the follows:

5.1) Allocate 50.59 million of newly issued ordinary shares to support the capital increase under a general mandate in proportion to their existing shareholding (Right Offering).

5.2) Allocate 2 million of newly issued ordinary shares to support the exercise of the ESOP#2.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.

