

**Do Day Dream Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Do Day Dream Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Do Day Dream Public Company Limited and its subsidiaries (the "Group") and of Do Day Dream Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to notes 3(e) and 9 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Inventories are material to the financial statements which are measured at the lower of cost and net realisable value. The major outstanding balance of inventories are packaging and finished goods of skincare product which has limited lifetime. In addition, the Group's inventories are considered high competition product and there were wide ranges of substitute products with similar attributes in the market. Therefore, the Group is exposed to risk of stock deteriorate, obsolete, slow moving and cost of inventory could be higher than net realizable value. Consequently, I consider this is an area of focus.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired the management and obtain an understanding of the Group's policy in relation to inventory management, assessment applied to estimate net realizable value of inventories and reviewing the Group's compliance with the policy; • Attended inventory counts and observing the condition of inventories; • Performed test on sample basis of net realisable value by investigate after period end sales document less costs necessary to make the sale with the related supporting documents including check mathematical accuracy of net realizable value calculation; • Performed test on sample basis of items in inventory aging report with related supporting document whether items were classified in the appropriate aging bracket and recalculate allowance for decline in value of inventories according to the Company's policy; • Compared the actual results for the year with the historical estimation and future operating plan to evaluate the appropriateness of the evaluation of inventory's value; • Considered the disclosures in accordance with Thai Financial Reporting Standards.

Acquisition of business	
Refer to note 3(a), 3(h), 4 and 12 to the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
<p>On 5 April 2018, Dream Dermatology Company Limited (a subsidiary) has entered into the Assets Purchase Agreement to acquire the trademark namely “Oxe’ Cure”, manufacturing formulas, inventories and customer database of local company with the total amount of Baht 94.89 million. During 2018, the Group has considered the fair values of net assets acquired and engaged an independent appraiser to appraise the fair value of identifiable assets acquired.</p> <p>I considered this as the key audit matter because the accounting for the business combination is complex and the identification and fair value measurement of assets acquired assumed requires significant judgment.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired the management and read the sale and purchase agreement to understand conditions and purpose of this acquisition; • Evaluated the qualifications and independence of the independent valuer of the Group; • Considered key assumptions in evaluating the fair value of assets acquired assumed with reference to external and internal sources and involve KPMG specialist in assessing the valuation methodology and financial parameters applied to the discount rate of the intangible assets; • Tested calculation; and • Considered the disclosures in accordance with Thai Financial Reporting Standards.

Revenue recognition and recognition of accrued sales promotion expenses	
Refer to note 3(k), 3(n), 3(o), 16 and 21 to the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
Revenue from sales of goods is 96% of the Group's revenues. The Group entered into agreements and commercial agreements with customers, under which conditions pertaining to discounts, sale promotions, and special discounts given to boost sales during specific period vary greatly. As a result, the recognition of sales transaction, discount and sales promotions of the Group are different. Consequently, I consider this is an area of focus.	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired the management to obtain an understanding of the Group's policy in relation to revenue recognition, the presentation of discounts and sales promotion expenses; • Evaluated the design and tested the operating effectiveness of internal controls, on a sample basis, related to the revenue recognition; • Tested of details on sales transactions for a sample of items with related supporting documents whether they are compliant with the conditions in agreements and the Group's policy during the year and near the end of period; • Tested calculation of sales discounts, sales promotion expenses and accrued sales promotion expenses for a sample of items with related supporting documents whether they are compliant with the conditions in agreements and commercial agreements during the year and near the end of period; • Tested the appropriateness of accrued sales promotion expenses for a sample of items by performing subsequent cash payments, credit note and related supporting documents post year-end; • Considered the disclosures in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 26 February 2018.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Veerachai Ratanajaratkul)
 Certified Public Accountant
 Registration No. 4323

KPMG Phoomchai Audit Ltd.
 Bangkok
 25 February 2019

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2018	2017	2018	2017
		(in Baht)			
Current assets					
Cash and cash equivalents	6	1,774,482,026	4,388,519,461	1,484,274,111	4,338,834,068
Current investments	7	2,399,564,269	-	2,399,564,269	-
Trade accounts receivable and other receivables		265,889,558	429,176,054	209,572,444	400,931,922
Short-term loan to a subsidiary	5	-	-	100,000,000	-
Inventories	9	391,583,315	291,680,362	359,180,129	271,035,316
Other current assets		5,103,996	13,159,966	2,704,780	11,620,332
Total current assets		4,836,623,164	5,122,535,843	4,555,295,733	5,022,421,638
Non-current assets					
Investments in subsidiaries	10	-	-	201,029,510	77,654,885
Property, plant and equipment	11	274,221,221	278,562,462	273,248,147	277,707,952
Intangible assets	4, 12	108,828,528	16,499,032	16,598,160	16,424,902
Restricted deposits at financial institutions	13	20,273,000	35,273,000	20,273,000	35,273,000
Deferred tax assets	14	6,533,947	7,342,583	2,182,610	1,880,805
Other non-current assets		1,723,364	274,239	26,130	246,201
Total non-current assets		411,580,060	337,951,316	513,357,557	409,187,745
Total assets		5,248,203,224	5,460,487,159	5,068,653,290	5,431,609,383

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2018	2017	2018	2017
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	15	-	267,144,776	-	267,144,776
Trade accounts payable and other payables	16	156,899,580	309,280,373	52,880,088	301,906,968
Current portion of long-term loans					
from financial institutions	15	29,492,352	18,774,741	29,492,352	18,774,741
Current portion of liabilities under					
hire purchase and finance lease liabilities	15	993,117	1,448,784	993,117	1,448,784
Current tax payable		4,229,115	20,050,404	1,663,375	19,848,434
Other current liabilities		2,854,193	501,949	1,080,818	1,169,336
Total current liabilities		194,468,357	617,201,027	86,109,750	610,293,039
Non-current liabilities					
Long-term loans from financial institutions	15	61,704,732	49,418,759	61,704,732	49,418,759
Liabilities under hire purchase and					
finance lease liabilities	15	2,214,017	3,206,358	2,214,017	3,206,358
Non-current provisions for employee benefit	17	7,096,130	4,172,466	5,984,612	3,513,789
Total non-current liabilities		71,014,879	56,797,583	69,903,361	56,138,906
Total liabilities		265,483,236	673,998,610	156,013,111	666,431,945

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity <i>(Continued)</i>	Note	2018	2017	2018	2017
		<i>(in Baht)</i>			
<i>Equity</i>					
Share capital					
Authorised share capital	18	<u>318,000,000</u>	<u>318,000,000</u>	<u>318,000,000</u>	<u>318,000,000</u>
Issued and paid-up share capital		317,887,700	316,000,000	317,887,700	316,000,000
Share premium					
Share premium on ordinary shares	20	4,399,859,862	4,347,915,078	4,399,859,862	4,347,915,078
Capital reserve for share-based					
payment transactions	19	-	117,000	-	117,000
Deficit on change in the ownership interests					
in subsidiary		(31,835,833)	(31,835,833)	-	-
Retained earnings					
Appropriated					
Legal reserve	20	31,800,000	31,800,000	31,800,000	31,800,000
Unappropriated		237,540,942	122,492,304	163,092,617	69,345,360
Other components of equity		<u>1,996,789</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent		<u>4,957,249,460</u>	<u>4,786,488,549</u>	<u>4,912,640,179</u>	<u>4,765,177,438</u>
Non-controlling interests		<u>25,470,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>4,982,719,988</u>	<u>4,786,488,549</u>	<u>4,912,640,179</u>	<u>4,765,177,438</u>
Total liabilities and equity		<u>5,248,203,224</u>	<u>5,460,487,159</u>	<u>5,068,653,290</u>	<u>5,431,609,383</u>

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
Revenue					
Revenue from sale of goods	5, 21	1,249,634,784	1,674,439,049	594,966,121	1,498,777,267
Dividend income from subsidiary	5, 10	-	-	79,996,800	39,998,400
Other income		54,349,146	9,938,140	65,946,506	29,190,475
Total revenue		1,303,983,930	1,684,377,189	740,909,427	1,567,966,142
Expenses					
Cost of sales of goods	5, 9	412,354,849	543,317,855	402,054,044	545,565,713
Distribution costs		510,495,738	580,906,409	16,576,581	434,904,118
Administrative expenses		158,727,003	135,000,165	134,921,404	131,716,113
Finance costs		9,496,811	11,971,453	9,496,811	11,971,300
Total expenses		1,091,074,401	1,271,195,882	563,048,840	1,124,157,244
Profit before income tax expense		212,909,529	413,181,307	177,860,587	443,808,898
Tax expense	24	28,417,975	62,117,900	17,753,330	60,903,786
Profit for the year	21	184,491,554	351,063,407	160,107,257	382,905,112

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		1,668,811	-	-	-
Total items that will be reclassified subsequently to profit or loss		1,668,811	-	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans	17, 24	-	(186,977)	-	(278,889)
Income tax relating to items that will not be reclassified	14, 24	-	37,395	-	55,778
Total items that will not be reclassified to profit or loss		1,668,811	(149,582)	-	(223,111)
Other comprehensive income (expense) for the year, net of tax		1,668,811	(149,582)	-	(223,111)
Total comprehensive income for the year		186,160,365	350,913,825	160,107,257	382,682,001
Profit attributable to:					
Owners of the parent		181,408,638	351,063,407	160,107,257	382,905,112
Non-controlling interests		3,082,916	-	-	-
Profit for the year		184,491,554	351,063,407	160,107,257	382,905,112
Total comprehensive income attributable to:					
Owners of the parent		183,405,427	350,913,825	160,107,257	382,682,001
Non-controlling interests		2,754,938	-	-	-
Total comprehensive income for the year		186,160,365	350,913,825	160,107,257	382,682,001
Basic earnings per share (in Baht)	25	0.57	1.50	0.50	1.63
Diluted earnings per share (in Baht)	25	0.57	1.49	0.50	1.63

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
<i>Note</i>	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit on changes in the ownership interests in subsidiary	Retained earnings		Other components shareholders' equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
					Legal reserve	Unappropriated (in Baht)	Translating foreign operations			
Year ended 31 December 2017										
Balance at 1 January 2017	225,000,000	47,655,160	-	(31,835,833)	22,500,000	111,628,479	-	374,947,806	-	374,947,806
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Issue of ordinary shares	18 91,000,000	4,300,259,918	-	-	-	-	-	4,391,259,918	-	4,391,259,918
Share-based payment transactions	19 -	-	117,000	-	-	-	-	117,000	-	117,000
Dividends	26 -	-	-	-	-	(330,750,000)	-	(330,750,000)	-	(330,750,000)
Total transactions with owners, recorded directly in equity	91,000,000	4,300,259,918	117,000	-	-	(330,750,000)	-	4,060,626,918	-	4,060,626,918
Comprehensive income for the year										
Profit	-	-	-	-	-	351,063,407	-	351,063,407	-	351,063,407
Other comprehensive income	-	-	-	-	-	(149,582)	-	(149,582)	-	(149,582)
Total comprehensive income for the year	-	-	-	-	-	350,913,825	-	350,913,825	-	350,913,825
Transfer to legal reserve	20 -	-	-	-	9,300,000	(9,300,000)	-	-	-	-
Balance at 31 December 2017	316,000,000	4,347,915,078	117,000	(31,835,833)	31,800,000	122,492,304	-	4,786,488,549	-	4,786,488,549

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements											
Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit on changes in the ownership interests in subsidiary	Retained earnings		Other components shareholders' equity		Total other components of equity	Non-controlling interests	Total equity
					Legal reserve	Unappropriated (in Baht)	Translating foreign operations				
Year ended 31 December 2018											
Balance as at 1 January 2018	316,000,000	4,347,915,078	117,000	(31,835,833)	31,800,000	122,492,304	-	4,786,488,549	-	-	4,786,488,549
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Issue of ordinary shares	18, 19	1,887,700	51,944,784	(184,050)	-	-	-	-	53,648,434	-	53,648,434
Share-based payment transactions	19	-	-	67,050	-	-	-	-	67,050	-	67,050
Dividends	26	-	-	-	-	(66,360,000)	-	-	(66,360,000)	-	(66,360,000)
Total contributions by and distributions to owners of the parent		1,887,700	51,944,784	(117,000)	-	(66,360,000)	-	-	(12,644,516)	-	(12,644,516)
Changes in ownership interests in subsidiaries											
Increase in non-controlling interests from set up new subsidiaries		-	-	-	-	-	-	-	-	22,715,590	22,715,590
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	22,715,590	22,715,590
Total transactions with owners, recorded directly in equity		1,887,700	51,944,784	(117,000)	-	(66,360,000)	-	-	(12,644,516)	22,715,590	10,071,074
Comprehensive income for the year											
Profit		-	-	-	-	181,408,638	-	-	181,408,638	3,082,916	184,491,554
Other comprehensive income		-	-	-	-	-	1,996,789	-	1,996,789	(327,978)	1,668,811
Total comprehensive income for the year		-	-	-	-	181,408,638	1,996,789	-	183,405,427	2,754,938	186,160,365
Balance at 31 December 2018		317,887,700	4,399,859,862	-	(31,835,833)	31,800,000	237,540,942	1,996,789	4,957,249,460	25,470,528	4,982,719,988

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
					Retained earnings		
		Issued and	Share	Capital reserve	Legal		Total
Note		paid-up	premium	for share-based	reserve	Unappropriated	equity
		share capital		payment			
				transactions			

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
				Capital reserve	Retained earnings		
		Issued and	Share	for share-based	Legal		Total
Note		paid-up	premium	payment	reserve	Unappropriated	equity
		share capital		transactions			

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
Cash flows from operating activities					
Profit for the year		184,491,554	351,063,407	160,107,257	382,905,112
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	24	28,417,975	62,117,900	17,753,330	60,903,786
Finance costs		9,496,811	11,971,453	9,496,811	11,971,300
Depreciation and amortisation	23	32,124,285	26,330,648	31,766,527	26,052,320
Provisions for employee benefits	17	2,923,664	2,339,246	2,470,823	1,876,188
Unrealised (gain) loss on exchange		(1,439,540)	(920,485)	(237,586)	(920,485)
Share-based payment	19	67,050	117,000	67,050	117,000
Gains on fair value adjustment	7	(1,760,342)	-	(1,760,342)	-
Gain on disposal of current investments		(4,665,862)	-	(4,665,862)	-
Gain on bargain purchase	4	(2,165,690)	-	-	-
Bad and doubtful debts expenses	8	952,935	212,942	354,938	1,440
Losses on inventories devaluation	9	4,663,375	5,693,176	4,298,501	5,335,296
Gains on disposal of property, plant and equipment		(907)	(1,655,138)	(907)	(1,656,482)
Written-off property, plant and equipment		48,678	1,916,134	48,678	1,916,134
Dividend income	10	-	-	(79,996,800)	(39,998,400)
Interest income		(48,136,402)	(1,307,499)	(50,631,952)	(1,111,642)
		205,017,584	457,878,784	89,070,466	447,391,567
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and other receivables		167,886,164	(232,471,235)	197,899,232	(297,147,149)
Inventories		(99,352,787)	(33,725,216)	(92,443,315)	(27,014,783)
Other current assets		8,055,970	(2,410,769)	8,915,552	(2,165,920)
Other non-current assets		(1,449,125)	3,933,307	220,071	3,961,345
Trade accounts payable and other payables		(148,869,656)	129,454,949	(245,997,872)	141,758,674
Other current liabilities		2,352,243	8,610,806	(88,518)	4,175,852
Net cash generated from (used in) operating		133,640,393	331,270,626	(42,424,384)	270,959,586
Taxes paid		(45,088,566)	(74,352,263)	(36,240,195)	(56,571,850)
Net cash from (used in) operating activities		88,551,827	256,918,363	(78,664,579)	214,387,736

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
Cash flows from investing activities					
Changes in restricted deposits at financial institutions		15,000,000	(32,022,292)	15,000,000	(32,022,292)
Acquisition of investment in subsidiaries	10	-	-	(123,374,625)	(24,999,925)
Acquisition of group assets	4	(94,887,850)	-	-	-
Proceeds from disposal of non-controlling interest		22,715,590	-	-	-
Acquisition of current investments		(5,057,803,927)	-	(5,057,803,927)	-
Proceeds from sale of current investments		2,664,665,862	-	2,664,665,862	-
Acquisition of property, plant and equipment		(28,799,909)	(58,822,386)	(28,352,108)	(58,048,128)
Proceeds from sale of property, plant and equipment		18,869	3,319,924	18,869	3,300,000
Acquisition of intangible assets		(2,876,109)	(10,093,153)	(2,531,350)	(10,022,553)
Short-term loan to a subsidiary	5	-	-	(100,000,000)	-
Dividends received		-	-	79,996,800	39,998,400
Interest received		44,547,700	1,307,499	43,876,127	1,111,641
Net cash used in investing activities		(2,437,419,774)	(96,310,408)	(2,508,504,352)	(80,682,857)
Cash flows from financing activities					
Proceeds from issue of shares		-	4,391,259,918	-	4,391,259,918
Proceeds from exercise of share options		53,648,434	-	53,648,434	-
Proceeds from short-term loans		-	194,891,239	-	194,891,239
Repayment of short-term loans		(267,144,775)	-	(267,144,775)	-
Proceeds from long-term loans		49,900,000	76,150,922	49,900,000	76,150,922
Repayment of long-term loans		(26,896,416)	(130,880,298)	(26,896,416)	(130,880,298)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(1,669,082)	(2,054,458)	(1,669,082)	(2,054,458)
Dividends paid to owners of the Company		(65,933,066)	(330,750,000)	(65,933,066)	(330,750,000)
Interest paid		(9,296,121)	(12,251,473)	(9,296,121)	(12,251,321)
Net cash from (used in) financing activities		(267,391,026)	4,186,365,850	(267,391,026)	4,186,366,002
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(2,616,258,973)	4,346,973,805	(2,854,559,957)	4,320,070,881
Effect of exchange rate changes on cash and cash equivalents		2,221,538	-	-	-
Net increase (decrease) in cash and cash equivalents		(2,614,037,435)	4,346,973,805	(2,854,559,957)	4,320,070,881
Cash and cash equivalents at 1 January		4,388,519,461	41,545,656	4,338,834,068	18,763,187
Cash and cash equivalents at 31 December		1,774,482,026	4,388,519,461	1,484,274,111	4,338,834,068
Supplemental disclosures of cash flows information:					
Property, plant and equipment acquired during the year ended 31 December 2018 and 2017 are detailed as follows:					
Increase in property, plant and equipment during the year	11	25,465,160	62,033,542	25,017,311	61,259,284
Change in payables on acquisition of plant and equipment		3,334,749	(3,211,156)	3,334,797	(3,211,156)
Net acquisition of property, plant and equipment paid by cash		28,799,909	58,822,386	28,352,108	58,048,128

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

Do Day Dream Public Company Limited and its subsidiaries
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These notes form an integral part of the interim financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 25 February 2019.

1 General information

Do Day Dream Public Company Limited (“the Company”), is incorporated in Thailand and has its registered office at 32 Keharomklao road, Kwang Ratphatthana, Khet Saphansung, Bangkok 10240, Thailand.

The Company was listed on the Stock Exchange of Thailand on 26 December 2017.

The Company’s major shareholder during the financial year was Mr. Sarawut Pornpatanarak (56.50% shareholding).

The principal businesses of the Company and its subsidiaries (together referred to the “Group”) are manufacturing and distributing cosmetic.

Details of the Company’s subsidiaries as 31 December 2018 and 2017 are given in note 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 30.

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
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(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Current investment - Trading securities	Fair value
Contingent consideration assumed in a business combinations	Fair value
Share-based payment	Fair value
Defined benefit liability	Present value of the defined benefit obligations as explained in Note 3(l)

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 4	Business combination by acquisition of shares: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
Note 12	Impairment test: key assumptions underlying recoverable amounts;
Note 3(r) and 14	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 17	Measurement of defined benefit obligations: key actuarial assumptions
Note 19	Measurement of share-based payments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer (CFO).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 Acquisition of business
- Note 19 Employee Stock Option Plan (ESOP); and
- Note 27 Financial instruments.

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Do Day Dream Public Company Limited and its subsidiaries
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For the year ended 31 December 2018

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

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The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition less all attributable discount. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost are calculated using the following principles:

Finished goods from Original Equipment Manufacturer. (OEM)	- at cost (first in first out) and at cost (weighted average cost)
Finished goods and work in progress	- at standard cost which approximates actual (first in first out)
Raw materials packaging and factory supplies	- at cost (first in first out) and considered as cost of production when used

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance for decline in value of inventories are made for all deteriorated, damaged, obsolete and slow-moving inventories.

(f) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

(g) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 20 years
Machinery and equipment	5 - 10 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e. trademark, etc. are measured at cost less accumulated impairment losses. They are not amortised but tested for impairment annually or more frequently if there is any impairment indicator. The assessment of the classification of intangible assets as indefinite is reviewed annually.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	3 - 10 years
Trademarks	7 years and indefinite useful lives

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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For the year ended 31 December 2018

(i) Impairment

The carrying amounts of the Group assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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Defined benefit plans

The Group net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income (OCI). The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement immediately occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Share-based payments

The employee share option programme allows certain of the Group's directors and employees to acquire shares of the Company under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognized as services are provided.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Dividend income

Dividend income is recognised in profit or loss on the date the Group right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group incremental borrowing rate.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, income tax expenses and other assets.

4 *Acquisition of business*

On 5 April 2018, Dream Dermatology Company Limited (a subsidiary) has entered into the Assets Purchase Agreement to acquire the trademark namely "Oxe' Cure", manufacturing formulas, inventories and customer database of a local company with the total amount of Baht 94.89 million.

During the period from acquisition of business date to 31 December 2018, the business contributed revenue of Baht 30.70 million and net profit of Baht 1.71 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have increased Baht 9.78 million and consolidated profit for the period would have increased Baht 2.19 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

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The Group has applied Thai Financing Reporting Standards (“TFRS”) No. 3 (revised 2017) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of identifiable assets acquired and liabilities assumed.

Consideration transferred

	<i>(in thousand Baht)</i>
Cash	94,888
Total	94,888

Identifiable assets acquired

	Fair value <i>(in thousand Baht)</i>
Inventories	5,214
Intangible assets	91,840
Total net assets identified	97,054
Gain on bargain purchase	(2,166)
Consideration transferred	94,888

The following fair values have been determined on a provisional basis

- The fair value of intangible assets (Trademark) has been determined provisionally completion of an independent valuation.

During the year 2018 the Group engaged an independent appraiser to appraise the fair value of identifiable assets acquired. The independent appraiser completed the process of appraising the fair value.

For the preparation of the consolidated financial statements for the year ended 31 December 2018, the Group has considered the fair values of the identifiable assets acquired from the business acquisitions and recorded the difference between the purchasing price and values of the assets in the account “Gain on bargain purchase” amounting to Baht 2.2 million.

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Relationships with subsidiaries are described in notes 10. Relationship with key management and other related parties were as follows:

Name of parties	Country of incorporation / nationality	Nature of relationships
Mr.Sarawut Pornpatanarak	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including major shareholder and director of the Group
PM Chemical Company Limited	Thailand	Shared directors and share holders
Muang Thai Insurance Public Company Limited	Thailand	Shared directors and share holders
Phatra Leasing Public Company Limited	Thailand	Shared directors and share holders
The Fourteen Company Limited	Thailand	Related by director
Nama Nama Group Company Limited	Thailand	Shared directors and share holders
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods, net of discount	Market price net discount
Rental income	Agreed rate as stipulated in the agreement
Transportation fee income	Agreed rate at a percentage of total purchase
Management fee income	Agreed rate as stipulated in the agreement at a percentage of total sales
Interest income	MLR-2%
Dividend income	Right to receive dividends
Purchase of merchandise goods	Market price net discount
Sales promotion expense	Agreed rate as stipulated in the agreement

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5.1 Significant transactions for each year ended 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>For the year ended 31 December</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Sales of goods, net of discount	-	-	533,872	795,033
Rental income	-	-	484	90
Transportation fee income	-	-	-	10,138
Management fee income	-	-	8,593	10,004
Interest income	-	-	3,167	-
Dividend income	-	-	79,997	39,998
Sales promotion expense	-	-	-	33,848
<i>Other related parties</i>				
Sales of goods, net of discount	138,184	317,752	-	-
Purchases of goods	1,219	15,784	1,219	15,784
Purchases of equipment	-	155	-	155
Sales promotion expense	23,886	21,918	-	-
Rental fee expense	1,353	1,272	180	-
Service fee expense	-	145	-	145
Insurance expense	536	93	536	93
Entertainment expense	6	-	6	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	54,936	33,199	50,108	29,735
Post-employment benefits	1,121	602	817	484
Total key management benefit expenses	56,057	33,801	50,925	30,219

5.2 Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable and other receivables- related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	185,971	258,195
Related companies	5,310	50,068	-	3,236
Total	5,310	50,068	185,971	261,431

<i>Short-term loan to a subsidiary</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Dream Dermatology Company Limited	-	-	100,000	-
Total	-	-	100,000	-

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Movements during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	-	-	100,000	-
At 31 December	-	-	100,000	-

As at 31 December 2018, short-term loan to a subsidiary was unsecured and at call, and bore interest at the rate 4.25% per annum.

Trade accounts payable and other payables - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	36,158
Related companies	1,167	4,923	64	-
Total	1,167	4,923	64	36,158

5.3 Significant agreements with related parties

As at 31 December 2018, the Group had the following significant agreements with related parties.

- a.) The Company has service agreement with Namu Life Plus Company Limited (a subsidiary). Under the terms of the agreement, the Company agreed to provide the service of consulting and management. In this regard, the subsidiary agreed to pay monthly fee to the Company at the rate as stipulated in the agreement.
- b.) The Company has service agreement with Do Infinite Dream Company Limited (a subsidiary). Under the terms of the agreement, the Company agreed to provide the service of consulting and management. In this regard, the subsidiary agreed to pay monthly fee to the Company at the rate as stipulated in the agreement.
- c.) The Company has service agreement with Dream Dermatology Company Limited (a subsidiary). Under the terms of the agreement, the Company agreed to provide the service of consulting and management. In this regard, the subsidiary agreed to pay monthly fee to the Company at the rate as stipulated in the agreement.
- d.) The Company has office rental agreement with Namu Life Plus Company Limited (a subsidiary). Under the term of the agreement, the Company agreed the subsidiary to use the building space for their office. In this regards, the subsidiary agreed to pay rental fee to the Company at the rate stipulated in the agreement.

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- e.) The Company has office rental agreement with Do Infinite Dream Company Limited (a subsidiary). Under the term of the agreement, the Company agreed the subsidiary to use the building space for their office. In this regards, the subsidiary agreed to pay rental fee to the Company at the rate stipulated in the agreement.
- f.) The Company has office rental agreement with Dream Dermatology Company Limited (a subsidiary). Under the term of the agreement, the Company agreed the subsidiary to use the building space for their office. In this regards, the subsidiary agreed to pay rental fee to the Company at the rate stipulated in the agreement.
- g.) The Company has office rental agreement with Skin Make Smiles Company Limited (a subsidiary). Under the term of the agreement, the Company agreed the subsidiary to use the building space for their office. In this regards, the subsidiary agreed to pay rental fee to the Company at the rate stipulated in the agreement.
- h.) The Company has service agreement with Do Day Dream Trading Pte. Ltd. (a foreign indirect subsidiary). Under the terms of the agreement, the Company agreed to provide the accounting receivable management service and capital management service. In this regard, the foreign indirect subsidiaries agreed to pay monthly fee to the Company at the rate of 0.1 percent of the total net sales. This agreement is terminated by mutually agreed by both parties in writing or either party upon receipt of 30 days prior written notice in the event the other party materially fails to comply with the terms of agreement through no fault of the other.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	87	57	26	46
Cash at financial institutions				
- current accounts	115,250	8,830	11,526	8,690
Cash at financial institutions				
- savings accounts	856,162	4,376,652	669,739	4,327,118
Highly liquid short-term investments	802,983	2,980	802,983	2,980
Total	<u>1,774,482</u>	<u>4,388,519</u>	<u>1,484,274</u>	<u>4,338,834</u>

As at 31 December 2018, deposits in savings accounts and fixed deposit carried interests of 0.1% - 1.9% per annum (2017: 0.1% - 1.5% per annum).

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7 Current investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	900,001	-	900,001	-
Equity securities held for trading	1,101,760	-	1,101,760	-
Other debt securities held to maturity	397,803	-	397,803	-
Total	<u>2,399,564</u>	<u>-</u>	<u>2,399,564</u>	<u>-</u>

Short-term deposits at financial institutions, with a carrying amount of Baht 900 million at 31 December 2018 have annual interest rates of from 1.45% to 1.90% and mature within 1 year. Held-to-maturity investments have interest rates of 1.82% to 1.83% and mature within 1 year.

Movements during the years ended 31 December of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Trading securities				
At 1 January	-	-	-	-
Purchases during the year	3,760,000	-	3,760,000	-
Sales during the year	(2,660,000)	-	(2,660,000)	-
Valuation adjustment	1,760	-	1,760	-
At 31 December	<u>1,101,760</u>	<u>-</u>	<u>1,101,760</u>	<u>-</u>

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8 Trade accounts receivable and other receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	5	5,310	50,068	179,112	258,195
Other parties		219,817	373,018	10,332	134,724
Total		225,127	423,086	189,444	392,919
Less allowance for doubtful accounts		(1,173)	(220)	(364)	(9)
Net		223,954	422,866	189,080	392,910
Other receivables					
Other receivables - related parties					
Accrued income		-	-	3,582	3,236
Other receivables		-	-	3,277	-
Other receivables - related parties, net	5	-	-	6,859	3,236
Other receivables - other parties					
Prepaid expenses		23,977	4,449	3,078	3,027
Accrued income		4,402	813	4,402	813
Other receivables		13,557	1,048	6,153	946
Other receivables - related parties, net		41,936	6,310	13,633	4,786
Total other receivables , net		41,936	6,310	20,492	8,022
Total trade accounts receivable and other receivables - net		265,890	429,176	209,572	400,932
Bad and doubtful debts expense for the year		953	213	355	1

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
- related parties				
Within credit terms	5,310	50,068	25,961	78,907
Overdue:				
Less than 3 months	-	-	90,887	179,262
3-6 months	-	-	62,264	26
Total	5,310	50,068	179,112	258,195
Less allowance for doubtful accounts	-	-	-	-
Trade accounts receivable				
- related parties, net	5,310	50,068	179,112	258,195
Trade accounts receivable				
- other parties				
Within credit terms	167,468	271,204	3,007	112,045
Overdue:				
Less than 3 months	49,776	71,748	5,619	22,670
3-6 months	1,703	28,561	1,699	-
6-12 months	75	1,353	-	-
Over 12 months	795	152	7	9
Total	219,817	373,018	10,332	134,724
Less allowance for doubtful accounts	(1,173)	(220)	(364)	(9)
Trade accounts receivable				
- other parties, net	218,644	372,798	9,968	134,715
Total trade accounts receivable - net	223,954	422,866	189,080	392,910

The normal credit term granted by the Group ranges from 15 days to 180 days.

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Finished goods	142,574	89,808	110,239	68,927
Work in progress	7,322	9,193	7,322	9,193
Raw materials	62,253	60,366	62,253	60,366
Packaging	179,796	133,116	179,053	132,995
Supplies	5,938	4,987	5,890	4,987
Total	397,883	297,470	364,757	276,468
Less Allowance for obsolete	(6,300)	(5,790)	(5,577)	(5,433)
Net	391,583	291,680	359,180	271,035
Inventories recognised as an expense in ‘cost of sales of goods’				
- Cost	407,692	537,625	397,755	540,231
- Write-down	4,663	5,693	4,299	5,335
Net	412,355	543,318	402,054	545,566

10 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	77,655	52,655
Acquisitions	123,375	25,000
At 31 December	201,030	77,655

The detail of acquisitions of investments in subsidiaries during the years ended 31 December 2018 and 2017 was as follows:

	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
Dream Dermatology Company Limited	47,500	-
Do Infinite Dream Company Limited	75,000	25,000
Skin Make Smiles Company Limited	875	-
Total	123,375	25,000

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Acquisition of investments - direct subsidiary

- (1) The Company set up a local subsidiary, Dream Dermatology Company Limited, with an initial authorised share capital of Baht 50 million and to call for paid-up at 100% of Baht 50 million. In this regard, the Company has 95% shareholding of the subsidiary of Baht 47.50 million. The registration of initial share capital of the subsidiary with the Ministry of Commerce has been completed on 23 March 2018.
- (2) During Quarter 1, the Company increased its investment in Do Infinite Dream Company Limited, a subsidiary, amounting to Baht 75 million as a result of the calling for the remaining of 75% of the subsidiary's authorised share capital Baht 100 million, amounting to Baht 75 million.
- (3) The Company set up a local subsidiary, Skin Make Smiles Company Limited, with an initial authorised share capital of Baht 5 million and to call for paid-up at 25% of Baht 1.25 million. In this regard, the Company has 70% shareholding of the subsidiary of Baht 0.88 million. The registration of initial share capital of the subsidiary with the Ministry of Commerce has been completed on 1 June 2018.
- (4) The Company set up a local subsidiary, Do Infinite Dream Company Limited, with an initial authorised share capital of Baht 100 million and to call for paid-up at 25% of Baht 25 million. In this regard, the Company has 100% shareholding of the subsidiary of Baht 25 million. The registration of initial share capital of the subsidiary with the Ministry of Commerce has been completed on 12 October 2017.

Acquisition of investment - indirect subsidiary

- (1) On 25 January 2018, Do Day Dream Holding Pte. Ltd. was incorporated in Singapore and issued 2,000,000 new shares with a par value of USD 1, 1 share called-up. Do Infinite Dream Company Limited (a direct subsidiary) hold 1 share of such company, or 100% interest, and treats it as investment in subsidiary.
- (2) On 31 January 2018, Do Day Dream Trading Pte. Ltd. was incorporated in Singapore and issued 300,000 new shares with a par value of USD 1, 1 share called-up. Do Infinite Dream Company Limited (a direct subsidiary) hold 1 share of such company, or 100% interest, and treats it as investment in subsidiary.
- (3) During Quarter 2, Do Infinite Dream Company Limited (a direct subsidiary) increased its investment in Do Day Dream Holding Pte. Ltd. amounting to Baht 63.07 million as a result of the calling for the remaining of 100% of the subsidiary's authorised share capital USD 2 million, amounting to Baht 63.07 million.
- (4) During Quarter 2, Do Infinite Dream Company Limited has increased its investment in Do Day Dream Trading Pte. Ltd. amounting to Baht 9.46 million as a result of the calling for the remaining of 100% of the subsidiary's authorised share capital USD 300,000, amounting to Baht 9.46 million.
- (5) On 13 August 2018, Do Day Dream Holding Pte. Ltd. (a foreign indirect subsidiary) has received a share certificate and appeared on the Book of shareholders' registration of Do Day Dream Philippines Corporation (Formerly: Do Day Dream KCA Philippines Corporation), a subsidiary in the Philippines, following the payment for the newly issued common shares to Do Day Dream Philippines Corporation. Do Day Dream Holding Pte. Ltd. has 51% shareholding of the subsidiary in the amount of Philippines Peso 33.66 million (or equivalent approximately of Baht 21.27 million).

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Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiaries	Type of business	Country of incorporation	Ownership interest		Separate financial statements				Dividend income	
			2018	2017	Paid-up capital		Cost		2018	2017
					2018	2017	2018	2017		
<i>Local direct subsidiaries</i>										
Namu Life Plus Company Limited	Distribution of cosmetic and supplement	Thailand	100	100	5,000	5,000	52,655	52,655	79,997	39,998
Do Infinite Dream Company Limited	Management, technical, financing and enterprise service	Thailand	100	100	100,000	25,000	100,000	25,000	-	-
Dream Dermatology Company Limited	Distribution of cosmetic and supplement	Thailand	95	-	50,000	-	47,500	-	-	-
Skin Make Smiles Company Limited	Distribution of cosmetic	Thailand	70	-	1,250	-	875	-	-	-
Total							201,030	77,655	79,997	39,998
<i>Foreign Indirect subsidiaries</i>										
Do Day Dream Holding Pte.Ltd.	Holding company	Singapore	100	-	USD 2,000,000	-				
Do Day Dream Trading Pte.Ltd.	General wholesale trade (include general importer and exporter)	Singapore	100	-	USD 300,000	-				
Do Day Dream Philippines Corporation	General wholesale trade (include general importer and exporter)	Philippines	51	-	PHP 66,000,000	-				

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11 Property, plant and equipment

Consolidated financial statements						
	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost						
At 1 January 2017	59,596	123,111	68,032	11,199	5,214	267,152
Additions	-	5,878	23,432	6,700	26,023	62,033
Transfers	-	11,618	8,604	-	(20,222)	-
Disposals	-	(2,132)	(28)	-	(1,643)	(3,803)
At 31 December 2017 and 1 January 2018	59,596	138,475	100,040	17,899	9,372	325,382
Additions	-	3,523	4,560	-	17,382	25,465
Transfers	-	2,268	13,179	-	(15,447)	-
Disposals	-	-	(185)	-	-	(185)
At 31 December 2018	59,596	144,266	117,594	17,899	11,307	350,662
Depreciation						
At 1 January 2017	-	7,223	11,114	3,677	-	22,014
Depreciation charge for the year	-	6,637	14,903	3,489	-	25,029
Disposals	-	(216)	(7)	-	-	(223)
At 31 December 2017 and 1 January 2018	-	13,644	26,010	7,166	-	46,820
Depreciation charge for the year	-	7,097	19,060	3,558	-	29,715
Disposals	-	-	(94)	-	-	(94)
At 31 December 2018	-	20,741	44,976	10,724	-	76,441
Net book value						
At 1 January 2017						
Owned assets	59,596	115,888	56,918	1,624	5,214	239,240
Assets under finance leases	-	-	-	5,898	-	5,898
	59,596	115,888	56,918	7,522	5,214	245,138
At 31 December 2017 and 1 January 2018						
Owned assets	59,596	124,831	74,030	2,210	9,372	270,039
Assets under finance leases	-	-	-	8,523	-	8,523
	59,596	124,831	74,030	10,733	9,372	278,562
At 31 December 2018						
Owned assets	59,596	123,525	72,618	867	11,307	267,913
Assets under finance leases	-	-	-	6,308	-	6,308
	59,596	123,525	72,618	7,175	11,307	274,221

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Separate financial statements

	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construc- tion and installa-tion	Total
Cost						
At 1 January 2017	59,596	123,111	67,544	11,199	5,214	266,664
Additions	-	5,878	22,658	6,700	26,023	61,259
Transfers	-	11,618	8,604	-	(20,222)	-
Disposals	-	(2,132)	-	-	(1,643)	(3,775)
At 31 December 2017 and 1 January 2018	59,596	138,475	98,806	17,899	9,372	324,148
Additions	-	3,523	4,131	-	17,363	25,017
Transfers	-	2,268	13,179	-	(15,447)	-
Disposals	-	-	(185)	-	-	(185)
At 31 December 2018	59,596	144,266	115,931	17,899	11,288	348,980
Depreciation						
At 1 January 2017	-	7,223	10,999	3,677	-	21,899
Depreciation charge for the year	-	6,637	14,631	3,489	-	24,757
Disposals	-	(216)	-	-	-	(216)
At 31 December 2017 and 1 January 2018	-	13,644	25,630	7,166	-	46,440
Depreciation charge for the year	-	7,097	18,731	3,558	-	29,386
Disposals	-	-	(94)	-	-	(94)
At 31 December 2018	-	20,741	44,267	10,724	-	75,732
Net book value						
At 1 January 2017						
Owned assets	59,596	115,888	56,545	1,624	5,214	238,867
Assets under finance leases	-	-	-	5,898	-	5,898
	59,596	115,888	56,545	7,522	5,214	244,765
At 31 December 2017 and 1 January 2018						
Owned assets	59,596	124,831	73,176	2,210	9,372	269,185
Assets under finance leases	-	-	-	8,523	-	8,523
	59,596	124,831	73,176	10,733	9,372	277,708
At 31 December 2018						
Owned assets	59,596	123,525	71,664	867	11,288	266,940
Assets under finance leases	-	-	-	6,308	-	6,308
	59,596	123,525	71,664	7,175	11,288	273,248

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The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 and 2017 were as follow:

	2018 (in thousand Baht)	2017 (in thousand Baht)
Consolidated Financial Statements	5,436	286
Separate Financial Statements	5,430	286

Security

At 31 December 2018 the Company's property, plant and equipment with total net book value of Baht 52.17 million (2017: Baht 52.92 million) were pledged under long-term loans and credit facilities from financial institutions (Note 15).

12 Intangible assets

		Consolidated financial statements		
	Note	Trademarks	Software licences (in thousand Baht)	Total
Cost				
At 1 January 2017		-	8,675	8,675
Additions		5,456	4,637	10,093
At 31 December 2017 and 1 January 2018		5,456	13,312	18,768
Additions		-	2,876	2,876
Acquisitions through business combinations	4	91,840	-	91,840
At 31 December 2018		97,296	16,188	113,484
Amortisation				
At 1 January 2017		-	967	967
Amortisation for the year		187	1,115	1,302
At 31 December 2017 and 1 January 2018		187	2,082	2,269
Amortisation for the year		761	1,625	2,386
At 31 December 2018		948	3,707	4,655
Net book value				
At 1 January 2017		-	7,708	7,708
At 31 December 2017 and 1 January 2018		5,269	11,230	16,499
At 31 December 2018		96,348	12,481	108,829

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	Separate financial statements		
	Trademarks	Software licences	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2017	-	8,665	8,665
Additions	5,456	4,566	10,022
At 31 December 2017 and 1 January 2018	5,456	13,231	18,687
Additions	-	2,531	2,531
At 31 December 2018	5,456	15,762	21,218
Amortisation			
At 1 January 2017	-	967	967
Amortisation for the year	187	1,108	1,295
At 31 December 2017 and 1 January 2018	187	2,075	2,262
Amortisation for the year	761	1,597	2,358
At 31 December 2018	948	3,672	4,620
Net book value			
At 1 January 2017	-	7,698	7,698
At 31 December 2017 and 1 January 2018	5,269	11,156	16,425
At 31 December 2018	4,508	12,090	16,598

13 Restricted deposit as financial institution

As at 31 December 2018, the Group and the Company had restricted deposits at financial institutions totaling Baht 20.27 million in the consolidated statement of financial position and the separate statement of financial position respectively (*2017: Baht 35.27 million*) in order to comply with conditions for using credit facilities of foreign financial institutions and as collateral for letters of guarantee issued by the depositary financial institutions in favour of state enterprises.

14 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Deferred tax assets	7,030	7,343	2,535	1,881
Deferred tax liabilities	(496)	-	(352)	-
Net	6,534	7,343	2,183	1,881

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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2018	Consolidated financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Inter-profit on inventories	5,154	(2,349)	-	2,805
Accounts receivable	44	190	-	234
Inventories	1,159	101	-	1,260
Property, plant and equipment and intangible assets	90	60	-	150
Non-current provisions for employee benefits	820	598	-	1,418
Loss carry forward	76	1,087	-	1,163
Total	7,343	(313)	-	7,030
<i>Deferred tax liabilities</i>				
Debt securities held for trading	-	(352)	-	(352)
Others	-	(144)	-	(144)
Total	-	(496)	-	(496)
Net	7,343	(809)	-	6,534

	At 1 January 2017	Consolidated financial statements (Charged) / Credited to:		At 31 December 2017
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Inter-profit on inventories	-	5,154	-	5,154
Accounts receivable	446	(402)	-	44
Inventories	825	334	-	1,159
Property, plant and equipment and intangible assets	692	(602)	-	90
Non-current provisions for employee benefits	329	454	37	820
Loss carry forward	-	76	-	76
Net	2,292	5,014	37	7,343

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	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable	2	71	-	73
Inventories	1,086	29	-	1,115
Property, plant and equipment and intangible assets	90	60	-	150
Non-current provisions for employee benefits	703	494	-	1,197
Total	1,881	654	-	2,535
Deferred tax liabilities				
Debt securities held for trading	-	(352)	-	(352)
Total	-	(352)	-	(352)
Net	1,881	302	-	2,183

	At 1 January 2017	Separate financial statements (Charged) / Credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable	446	(444)	-	2
Inventories	825	261	-	1,086
Property, plant and equipment and intangible assets	692	(602)	-	90
Non-current provisions for employee benefits	272	375	56	703
Net	2,235	(410)	56	1,881

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15 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Current</i>				
Short-term loans from financial institutions				
Promissory notes - secured	-	120,000	-	120,000
Liabilities under trust receipt - secured	-	147,145	-	147,145
	<u>-</u>	<u>267,145</u>	<u>-</u>	<u>267,145</u>
Current portion of long-term loans from financial institutions - secured	<u>29,492</u>	<u>18,775</u>	<u>29,492</u>	<u>18,775</u>
	<u>29,492</u>	<u>18,775</u>	<u>29,492</u>	<u>18,775</u>
Current portion of finance lease liabilities	<u>993</u>	<u>1,449</u>	<u>993</u>	<u>1,449</u>
Total current interest-bearing liabilities	<u>30,485</u>	<u>287,369</u>	<u>30,485</u>	<u>287,369</u>
<i>Non-current</i>				
Long-term loans from financial institutions - secured	61,705	49,419	61,705	49,419
Finance lease liabilities	<u>2,214</u>	<u>3,206</u>	<u>2,214</u>	<u>3,206</u>
Total non-current interest-bearing liabilities	<u>63,919</u>	<u>52,625</u>	<u>63,919</u>	<u>52,625</u>
Total	<u>94,404</u>	<u>339,994</u>	<u>94,404</u>	<u>339,994</u>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	29,492	285,920	29,492	285,920
After one year but within five years	<u>61,705</u>	<u>49,419</u>	<u>61,705</u>	<u>49,419</u>
Total	<u>91,197</u>	<u>335,339</u>	<u>91,197</u>	<u>335,339</u>

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Long-term loans from financial institutions

As at 31 December 2018 and 2017 the Company had secured long-term borrowing agreements with financial institution. Detail were as follow:

Borrowing agreements	Interest rate (% per annum)	Balance as at 31 December		Term of payment
		2018	2017	
		<i>(in million Baht)</i>		
The first	1 st - 2 nd year : MLR-2.00 From 3 rd year : MLR-1.75	51	68	Principle with interest for 48 months Baht 1.45 million per month
The second	1 st - 2 nd year : MLR-2.00 From 3 rd year : MLR-1.75	40	-	Principle with interest for 72 months Baht 0.89 million per month

On 31 December 2018, fixed deposit, of Baht 20 million (2017: Baht 35 million) and parcels of land and other current and future construction there on with a net book value of Baht 52.17 million (2017: Baht 52.92 million) were used as collateral for the Company's long-term loans and credit line from financial institutions.

Under the terms of the contracts, the Group must comply with certain conditions as stipulated in the agreements such as maintaining financial ratios etc.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements						
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,174	(181)	993	1,751	(302)	1,449
After one year but within five years	2,394	(180)	2,214	3,568	(362)	3,206
Total	3,568	(361)	3,207	5,319	(664)	4,655

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	Separate financial statements					
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,174	(181)	993	1,751	(302)	1,449
After one year but within five years	2,394	(180)	2,214	3,568	(362)	3,206
Total	3,568	(361)	3,207	5,319	(664)	4,655

Interest rates

Interest rates as at 31 December 2018 and 2017 were as follow:

	Consolidated financial statements			Separate financial statements	
	2018	2017		2018	2017
			(%)		
Promissory notes	-	3.00		-	3.00
Liabilities under trust receipt	2.91	2.91		2.91	2.91
Long-term loans from financial institutions	MLR-1.75, MLR-2	MLR-1.75, MLR-2		MLR-1.75, MLR-2	MLR-1.75, MLR-2
Finance leases liabilities	4.80 - 6.96	4.80 - 6.96		4.80 - 6.96	4.80 - 6.96

Credit facilities

As at 31 December 2018, the Company had unutilised credit facilities totaling Baht 840 million (2017: Baht 262.85 million).

16 Trade accounts payable and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(in thousand Baht)		
Trade accounts payable					
- related parties	5	45	123	45	35,304
Trade accounts payable					
- other parties		59,291	113,614	33,368	102,488
Other payables - related parties	5	1,122	4,800	19	854
Other payables - other parties		96,442	190,743	19,448	163,261
Total		156,900	309,280	52,880	301,907

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17 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits				
Defined benefit plan	7,096	4,172	5,985	3,514
Total	7,096	4,172	5,985	3,514

Year ended 31 December

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits				
Defined benefit plan	2,924	2,339	2,471	1,876
	2,924	2,339	2,471	1,876

Recognised in other comprehensive income:

Actuarial losses recognised in the year	-	187	-	279
Cumulative actuarial losses recognised	187	187	279	279

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and turnover rate risk.

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	4,172	1,646	3,514	1,359
Include in profit or loss:				
Current service cost	2,803	1,430	2,369	1,138
Past service cost	-	856	-	694
Interest on obligation	121	53	102	44
	2,924	2,339	2,471	1,876
Included in other comprehensive income				
Actuarial loss	-	187	-	279
	-	187	-	279
At 31 December	7,096	4,172	5,985	3,514

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Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	117	-	88
Financial assumptions	-	253	-	210
Experience adjustment	-	(183)	-	(19)
Total	-	187	-	279

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(%)</i>			
Discount rate	2.89 - 2.95	2.89 - 2.95	2.89	2.89
Future salary growth	5.00	5.00	5.00	5.00
Employee turnover	0 - 39	0 - 39	0 - 39	0 - 39

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 26 years (2017: 27 years).

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2018				
Discount rate (1% movement)	(1,101)	1,339	(921)	1,121
Future salary growth (1% movement)	1,361	(1,135)	1,140	(950)
Employee turnover (1% movement)	(1,196)	609	(1,006)	599
At 31 December 2017				
Discount rate (1% movement)	(676)	827	(563)	690
Future salary growth (1% movement)	794	(664)	663	(553)
Employee turnover (1% movement)	(734)	389	(616)	384

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18 Share capital

		2018		2017	
	Par value per share (in Baht)	Number of shares	Amount (thousand shares/thousand Baht)	Number of shares	Amount
Authorised					
At 1 January					
- ordinary shares	100	-	-	2,250	225,000
- ordinary shares	1	318,000	318,000	-	-
At 22 March					
Change in the par value of ordinary share from Baht 100 each to Baht 1 each	1	-	-	222,750	-
- Increase of new shares	1	-	-	93,000	93,000
At 31 December					
- ordinary shares	1	318,000	318,000	318,000	318,000
Issued and paid-up					
At 1 January					
- ordinary shares	100	-	-	2,250	225,000
- ordinary shares	1	316,000	316,000	-	-
At 22 March 2017					
Change in the par value of ordinary share from Baht 100 each to Baht 1 each	1	-	-	222,750	-
At 2 April 2018					
Warrants exercised	1	1,888	1,888	-	-
At 20 July 2017					
Issue shares through the private placement	1	-	-	15,000	15,000
At 21 December 2017					
Issue shares through an initial public offering	1	-	-	76,000	76,000
At 31 December					
- ordinary shares	1	317,888	317,888	316,000	316,000

On 15 March 2017, the Annual General Meeting of the Company's shareholders approved the following resolutions:

- 1) A change in the par value of the shares from Baht 100 to Baht 1 per share, resulting in an increase in number of the ordinary shares from 2,250,000 ordinary shares to 225,000,000 ordinary shares. The Company was registered with the Ministry of Commerce on 22 March 2017.
- 2) An increase the registered shares capital from Baht 225 million to Baht 303 million by issuing newly 78 million ordinary shares. The Company was registered with the Ministry of Commerce on 22 March 2017.

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3) An allocation of 78,000,000 additional ordinary shares as follows:

- 3.1) 76,000,000 additional ordinary shares to be issued through an initial public offering.
- 3.2) 2,000,000 additional ordinary shares to be allotted to the directors, executives, and/or employees of the Company and/or its subsidiary under the Employee Stock Option Plan (ESOP).

On 17 July 2017, the Extraordinary General Meeting of the Company's shareholders No.2/2560 approved the following resolutions:

- 1) A decrease the registered shares capital from Baht 303 million to Baht 225 million by reducing the 78 million shares which have not been distributed. The Company was registered the decreased in share capital with the Ministry of Commerce on 20 July 2017.
- 2) An increase the registered shares capital from Baht 225 million to Baht 318 million by issuing newly 93 million ordinary shares at par value of Baht 1 each, totaling Baht 93 million. The Company was registered with the Ministry of Commerce on 20 July 2017.
- 3) An allocation of 93,000,000 additional ordinary shares as follows:
 - 3.1) 15,000,000 additional ordinary shares to be issued through the private placement. On 20 July 2017, the Company sold these additional shares to a new shareholder at Baht 29.87, totaling Baht 448.05 million with share premium of Baht 433.05 million. The Company was registered with the Ministry of Commerce on 20 July 2017.
 - 3.2) 76,000,000 additional ordinary shares to be issued through an initial public offering. In December 2017, the Company sold these additional shares to initial public at Baht 53, totaling Baht 4,028 million with share premium (net with listing fees) of Baht 3,867.21 million. The Company was registered with the Ministry of Commerce on 21 December 2017.
 - 3.3) 2,000,000 additional ordinary shares to be allotted to the directors, executives, and/or employees of the Company and/or its subsidiary under the Employee Stock Option Plan (ESOP).

Exercised of Employee Stock Option Plan (ESOP)

During the years ended 31 December 2018, ESOP were exercised and registered as issued and paid-up share capital of 1,887,700 shares (equivalent to Baht 1,887,700) with the proceeded of Baht 53.6 million.

Movements of stock options during the year ended 31 December 2018 were as follows:

	<i>(in thousand unit)</i>
Stock options at 1 January 2018	2,000
Less: Exercised during the year	(1,888)
Unutilised stock options (expired)	(112)
Stock options at 31 December 2018	-

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19 Employee Stock Option Plan (ESOP)

On 17 July 2017, the Extraordinary General Meeting of the Company's shareholders No. 2/2560 approved to allot 2,000,000 rights to purchase the Company's share capital under the Employee Stock Option Plan (ESOP) as follows:

Name of securities:	Do Day Dream Public Company Limited
Category:	Additional ordinary share capital
Type:	Named share capital
Offering method:	The Company will allot the additional ordinary share capital to the directors, executives, and/or employees of the Company and/or its subsidiaries under the Employee Stock Option Plan.
Term:	1 year after approved by the Company's shareholders
No. of offered shares:	2,000,000 shares
Exercise price:	Fair value as at the allotment date (Baht 28.42 per share)
Exercise period:	The Company will sell the additional ordinary share capital within 1 year after approved by the Company's shareholders under the Employee Stock Option Plan, and 1 month after the share capital of the Company has been registered on the Stock Exchange of Thailand. The offering process will be completed within 17 July 2018.

The estimated fair value of each share option granted is Baht 0.0975, calculated using the Black-Scholes model.

During the year ended 31 December 2018, the Company recognised expenses from this plan amounting to Baht 0.08 million (*2017: Baht 0.12 million*) as personnel expenses as at 31 December 2018, the Company had reversed the balance of capital reserves for these share-based payment amounting to Baht 0.01 million, net presented in personnel expenses. (*As at 31 December 2017, the Company had the balance of capital reserves for share-based payment to Baht 0.12 million and presented in equity.*)

20 Additional paid-up capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

Other components of equity

Currency translation difference

The currency translation differences recognized in equity relate to foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.

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Appropriate of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. Legal reserve is not available for dividend distribution.

In August 2017, the Company allocated the retained earnings amounting to Baht 9.3 million to legal reserve. As at 31 December 2018 and 2017, the legal reserve has fully been set aside.

21 Segment information

Management considers that the Group operates in a single line of business, namely the manufacture and distribution of cosmetic, therefore, only one reportable segment.

Geographic information

Revenue from external customers is based on locations of the customers.

For the year ended 31 December

	2018	2017
	<i>(in thousand Baht)</i>	
Revenue from local sales	982,179	1,178,912
Revenue from export sales	267,456	495,527
Total	1,249,635	1,674,439
Profit from operation after intra-group elimination and internal expense allocation	222,407	425,153
Finance costs	(9,497)	(11,972)
Income tax expense	(28,418)	(62,118)
Profit for the year	184,492	351,063

22 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Wages and salaries		138,341	123,868	108,692	111,718
Bonus welfare and others		19,738	36,962	18,135	33,919
Defined contribution plans		7,994	6,857	6,691	6,234
Defined benefit plans	17	2,924	2,339	2,471	1,876
Share-based payment expenses	19	67	117	67	117
Total		169,064	170,143	136,056	153,864

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The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

23 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Raw materials and consumables used	339,050	468,155	329,390	471,492
Sales promotion and marketing expenses	455,661	511,290	13,282	416,011
Employee benefit expenses	160,306	170,143	126,955	153,864
Service fees	11,063	13,086	6,621	11,194
Depreciation and amortization	32,124	26,331	31,767	26,052
Office expenses	19,387	18,272	16,546	18,059
Others	63,986	51,947	28,991	15,514
Total	<u>1,081,577</u>	<u>1,259,224</u>	<u>553,552</u>	<u>1,112,186</u>

24 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		27,346	67,877	17,792	61,239
Adjustment for prior years		263	(745)	263	(745)
		<u>27,609</u>	<u>67,132</u>	<u>18,055</u>	<u>60,494</u>
Deferred tax expense					
Movements in temporary differences	14	809	(5,014)	(302)	410
		<u>809</u>	<u>(5,014)</u>	<u>(302)</u>	<u>410</u>
Total Income tax expense		<u>28,418</u>	<u>62,118</u>	<u>17,753</u>	<u>60,904</u>

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Income tax recognised in other comprehensive income

Consolidated financial statements						
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
			(in thousand Baht)			
Defined benefit plan actuarial gains (losses)	-	-	-	(187)	37	(150)
Total	-	-	-	(187)	37	(150)

Separate financial statements						
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
			(in thousand Baht)			
Defined benefit plan actuarial gains (losses)	-	-	-	(279)	56	(223)
Total	-	-	-	(279)	56	(223)

Reconciliation of effective tax rate

Consolidated financial statements				
	2018		2017	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		212,910		413,181
Income tax at the applicable tax rates	20	42,582	20	82,636
Effect of different tax rates in foreign jurisdictions		1,073		-
Income tax reduction - current		(3,216)		-
Income not subject to tax		(16,007)		(184)
Expenses not deductible for tax purposes		2,461		3,084
Additional expenses deductible		(1,074)		(21,325)
Under (over) provided in prior years		263		(745)
Others		2,336		(1,348)
Total	13	28,418	15	62,118

Separate financial statements				
	2018		2017	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		177,861		443,809
Income tax at the applicable tax rates	20	35,572	20	88,762
Income tax reduction - current		(3,216)		-
Income not subject to tax		(15,999)		(8,184)
Expenses not deductible for tax purposes		2,207		2,396
Additional expenses deductible		(1,074)		(21,325)
Under (over) provided in prior years		263		(745)
Total	10	17,753	14	60,904

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25 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to equity holders of the Company	181,409	351,063	160,107	382,905
Weighted average number of ordinary shares outstanding during the year	317,412	234,279	317,412	234,279
Earnings per share (<i>in Baht</i>)	0.57	1.50	0.50	1.63

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to equity holders of the Company (basic)	181,409	351,063	160,107	382,905
Profit for the period attributable to equity holders of the Company (diluted)	181,409	351,063	160,107	382,905
Weighted average number of ordinary shares outstanding (basic)	317,412	234,279	317,412	234,279
Effect of dilutive potential ordinary shares	-	622	-	622
Weighted average number of ordinary shares outstanding (diluted)	317,412	234,901	317,412	234,901
Earnings per share (diluted) (<i>in Baht</i>)	0.57	1.49	0.50	1.63

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26 Dividends

At the annual general meeting of the shareholders of the Company held on 24 April 2018, the shareholders approved the appropriation of dividends from the 2017 operations of Baht 0.21 per share, amounting to Baht 66.36 million. The dividend was paid to the shareholders in May 2018.

At the board of directors' meeting of the Company held on 13 November 2017, the boards approved the appropriation of interim dividend from the operations for the period 30 September 2017 of Baht 0.40 per share, amounting to Baht 96 million. The dividend was paid to shareholders in November 2017.

At the board of directors' meeting of the Company held on 9 August 2017, the boards approved the appropriation of interim dividend from the operations for the period 30 June 2017 of Baht 0.93 per share, amounting to Baht 210 million. The dividend was paid to shareholders in August 2017.

At the annual general meeting of the shareholders of the Company held on 15 March 2017, the shareholders approved the appropriation of dividend from the 2016 operations of Baht 11 per share, amounting to Baht 24.75 million. The dividend was paid to shareholders during 2017.

27 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Capital management

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital. As at 31 December 2018, the Group and the company had a debt-to-equity of 0.05:1 (2017: 0.14:1) and 0.03:1 (2017: 0.14:1), respectively.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

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The effective interest rates of financial assets as at 31 December and the periods in which the financial assets mature or reprice were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2018					
Current					
Fixed deposit	0.1 - 1.9	1,702,984	-	-	1,702,984
Debt securities held to maturity	1.82 - 1.83	397,803	-	-	397,803
Total		2,100,787	-	-	2,100,787
Non-current					
Restricted deposit as financial institution	0.9	-	20,273	-	20,273
Total		-	20,273	-	20,273
Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2017					
Current					
Cash and cash equivalent	0.1 - 1.5	2,980	-	-	2,980
Total		2,980	-	-	2,980
Non-current					
Restricted deposit as financial institution	0.9	-	35,273	-	35,273
Total		-	35,273	-	35,273
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2018					
Current					
Fixed deposit	0.1 - 1.9	1,702,984	-	-	1,702,984
Debt securities held to maturity	1.82 - 1.83	397,803	-	-	397,803
Short-term loan to a subsidiary	4.25	100,000	-	-	100,000
Total		2,200,787	-	-	2,200,787
Non-current					
Restricted deposit as financial institution	0.9	-	20,273	-	20,273
Total		-	20,273	-	20,273

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	Effective interest rate (% per annum)	Within 1 year	Separate financial statements			Total
			After 1 year but within 5 years	After 5 years		
			(in thousand Baht)			
2017						
Current						
Cash and cash equivalent	0.1 - 1.5	2,980	-	-	2,980	
Total		2,980	-	-	2,980	
Non-current						
Restricted deposit as financial institution	0.9	-	35,273	-	35,273	
Total		-	35,273	-	35,273	

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2018					
Current					
Current portion of long-term loans from financial institutions	4.03, 4.25	29,492	-	-	29,492
Current portion of finance lease liabilities	4.10 - 6.96	993	-	-	993
		<u>30,485</u>	<u>-</u>	<u>-</u>	<u>30,485</u>
Non-current					
Long-term loans from financial institutions	4.03, 4.25	-	61,705	-	61,705
Finance lease liabilities	4.10 - 6.96	-	2,214	-	2,214
Total		<u>-</u>	<u>63,919</u>	<u>-</u>	<u>63,919</u>
2017					
Current					
Promissory notes	2.91 - 4.00	120,000	-	-	120,000
Liabilities under trust receipt	2.91 - 4.00	147,145	-	-	147,145
Current portion of long-term loans from financial institutions	4.03	18,775	-	-	18,775
Current portion of finance lease liabilities	4.10 - 6.96	1,449	-	-	1,449
Total		<u>287,369</u>	<u>-</u>	<u>-</u>	<u>287,369</u>

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Consolidated financial statements					
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Non-current					
Long-term loans from financial institutions	4.03	-	49,419	-	49,419
Finance lease liabilities	4.10 - 6.96	-	3,206	-	3,206
Total		<u>-</u>	<u>52,625</u>	<u>-</u>	<u>52,625</u>
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2018					
Current					
Current portion of long-term loans from financial institutions	4.03, 4.25	29,492	-	-	29,492
Current portion of finance lease liabilities	4.10 - 6.96	993	-	-	993
Total		<u>30,485</u>	<u>-</u>	<u>-</u>	<u>30,485</u>
Non-current					
Long-term loans from financial institutions	4.03, 4.25	-	61,705	-	61,705
Finance lease liabilities	4.10 - 6.96	-	2,214	-	2,214
Total		<u>-</u>	<u>63,919</u>	<u>-</u>	<u>63,919</u>
2017					
Current					
Promissory notes	2.91 - 4.00	120,000	-	-	120,000
Liabilities under trust receipt	2.91 - 4.00	147,145	-	-	147,145
Current portion of long-term loans from financial institutions	4.03	18,775	-	-	18,775
Current portion of finance lease liabilities	4.10 - 6.96	1,449	-	-	1,449
Total		<u>287,369</u>	<u>-</u>	<u>-</u>	<u>287,369</u>
Non-current					
Long-term loans from financial institutions	4.03	-	49,419	-	49,419
Finance lease liabilities	4.10 - 6.96	-	3,206	-	3,206
Total		<u>-</u>	<u>52,625</u>	<u>-</u>	<u>52,625</u>

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

At 31 December, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Singapore dollar				
Cash and cash equivalents	57	-	-	-
Trade accounts payable and other payables	31	-	-	-
Net exposure	88	-	-	-
Hong Kong dollar				
Cash and cash equivalents	14,638	-	-	-
Net exposure	14,638	-	-	-
United States dollar				
Trade accounts receivable and other receivables	7,302	-	14,623	-
Trade accounts payable and other payables	7,656	25,382	7,656	25,382
Net exposure	14,958	25,382	22,279	25,382

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements					
	Carrying amount	Level 1	Fair value Level 2	Level 3	Total
		(in million Baht)			
31 December 2018					
Financial assets and financial liabilities measured at fair value					
Debt securities held for trading	1,102	-	1,102	-	1,102
Separate financial statements					
	Carrying amount	Level 1	Fair value Level 2	Level 3	Total
		(in million Baht)			
31 December 2018					
Financial assets and financial liabilities measured at fair value					
Debt securities held for trading	1,102	-	1,102	-	1,102

Fair value of financial assets and liabilities

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term loans and financial lease liabilities are taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

The Group has considered the level 2 fair value of debt securities held for trading based on net asset value as at the measurement date according to the fund's information released to the public as at 31 December 2018.

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28 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Machinery and equipment	307	1,270	307	1,270
Total	307	1,270	307	1,270

Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	7,741	12,162	2,272	6,941
After one year but within five years	8,908	3,494	532	427
Total	16,649	15,656	2,804	7,368

Guarantee

As at 31 December 2018, there was outstanding bank guarantee of approximately Baht 0.27 million (2017: Baht 0.27 million) issued by bank on behalf of the Company in respect of guarantee electricity use.

29 Events after the reporting period

At the board of directors' meeting held on February 25, 2019, the board passed a resolution to approve the appropriation of dividend payment in respect of the Company's profit for the year of Baht 0.5 per share, amounting to Baht 158.94 million. The dividend will be paid within May 2019. However, this resolution must be approved at the annual general shareholders' meeting to be held in April 2019.

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30 Thai Financial Reporting Standards not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* *TFRS - Financial instruments standards*

The Group has not early adopted those standards in preparing these financial statements.

(a) TFRS 15 Revenue from Contracts with Customers

Sales of goods and services rendered

TFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management assessed that there was no material impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS – Financial instruments standards on the consolidated and separate financial statements.

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31 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2017 and statement of comprehensive income for the year ended 31 December 2017 have been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2018. The reclassifications are as follows:

	2017					
	Consolidated financial statements			Separate financial statements		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication (in thousand Baht)	Before reclassi- fication	Reclassi- fication	After reclassi- fication
Statement of financial position as at 31 December						
Trade accounts payable and other payables	(299,196)	(10,084)	(309,280)	(297,633)	(4,274)	(301,907)
Other current liabilities	(10,586)	10,084	(502)	(5,443)	4,274	(1,169)
		<u>-</u>			<u>-</u>	
Statement of comprehensive income Year ended 31 December						
Revenue from rendering of services	(111)	111	-	(20,252)	20,252	-
Other income	(9,827)	(111)	(9,938)	(8,938)	(20,252)	(29,190)
		<u>-</u>			<u>-</u>	
Cost of sales of goods	534,898	8,420	543,318	538,234	7,332	545,566
Administrative expenses	143,420	(8,420)	135,000	139,048	(7,332)	131,716
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.