

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Financial Statements

**For the Year Ended December 31, 2017
and Report of Certified Public Accountant**

M.R. & ASSOCIATES CO., LTD.
Certified Public Accountants

M.R. & ASSOCIATES CO., LTD.

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REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Selic Corp Public Company Limited

Opinion

I have audited the consolidated financial statements of Selic Corp Public Company Limited and its subsidiary (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of Selic Corp Public Company Limited, which comprise the separate statement of financial position as at December 31, 2017, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Selic Corp Public Company Limited and its subsidiary as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of Selic Corp Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Accuracy of outputs processed from the newly installed information technology system for financial reporting

Risk description

During 2017, the Company installed the new information technology system for financial reporting and replaced the old system in order to serve the existing and future rise in volumes of business transactions and accounting entries as well as to enhance the acceleration of information processing and the in-depth information analysis for management. The applied new system significantly has more processes and complexity in use as compared to the old system. In addition, such change represented the direct change in system that has been used for processing the accounting and financial reporting information, including the process for the Company's revenue recognition and accounting which is considered significant to both my audit and the Company's financial reporting. I used my professional judgement and considered that the aforesaid matter required special attention with respect to the risk on accuracy of information processed by new system. Accordingly, the aforesaid matter gave rise to significant effect on my overall audit plan for the year 2017.

Responses to the risk

I have performed the following key audit procedures as responses to the aforesaid significant matter and related risk in order that such risk shall be managed to the appropriate and acceptable level and enable the consolidated financial statements and separate financial statements to be free from material misstatement:

- Gather understanding in the inputs and outputs as well as key processes and controls on processing contained in the new system.
- Test and conclude for the general controls and application controls of the new system.
- Audit for accuracy of accounting balances brought forward from the database processed by old system to the database processed by new system as well as test and conclude for accuracy of the outputs processed by new system.

Other Matter

The comparative consolidated financial statements of Selic Corp Public Company Limited and its subsidiary and the comparative separate financial statements of Selic Corp Public Company Limited for the year ended December 31, 2016 were audited by another auditor in my office, whose report dated February 27, 2017, expressed an unmodified opinion on those statements.

Other Information

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

My opinion on the consolidated financial statements and the 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 financial statements and the 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 financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the 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 and the separate 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 financial statements and the 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.



(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 28, 2018

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

ASSETS

	Note	In Baht			
		Consolidated		The Company Only	
		2017	2016	2017	2016
CURRENT ASSETS					
Cash and cash equivalents		121,528,091	14,880,157	108,396,410	13,961,896
Current investment	5	-	142,127,456	-	142,127,456
Trade and other receivables					
- Related parties	4, 6	557,465	1,256	31,965,661	12,501,529
- Other parties - net	6	137,855,800	124,159,544	124,895,216	114,675,214
Inventories - net	7	103,592,980	97,656,095	103,557,376	97,656,095
Other current assets					
- Value-added tax receivable		13,529,995	6,946,401	6,730,627	3,062,795
- Others		705,340	441,816	688,926	425,705
Total Current Assets		377,769,671	386,212,725	376,234,216	384,410,690
NON-CURRENT ASSETS					
Investment in subsidiary accounted for using the cost method	8	-	-	999,700	999,700
Plant and equipment - net	9, 11, 13	115,119,740	90,992,339	115,105,535	90,966,135
Intangible assets - net	10	5,928,510	754,174	5,928,510	754,174
Deferred tax assets	19	2,196,227	2,430,897	2,196,227	2,430,897
Other non-current assets		1,400,624	8,895,900	1,357,305	8,895,900
Total Non-Current Assets		124,645,101	103,073,310	125,587,277	104,046,806
TOTAL ASSETS		502,414,772	489,286,035	501,821,493	488,457,496

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




.....
(Mr. Ek Suwatthanaphim)


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(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	11	2,179,740	5,141,877	2,179,740	5,141,877
Trade and other payables					
- Related party	4	-	-	15,034	-
- Other parties	12	116,993,699	100,996,086	116,470,826	100,638,893
Current portion of liabilities under hire purchase and finances lease agreements	13	961,754	4,501,267	961,754	4,501,267
Income tax payable		2,149,415	826,662	2,149,415	776,503
Payables on purchase of assets		1,888,919	1,294,520	1,888,919	1,294,520
Other current liabilities		1,176,149	1,253,170	1,088,701	1,163,851
Total Current Liabilities		125,349,676	114,013,582	124,754,389	113,516,911
NON-CURRENT LIABILITIES					
Liabilities under hire purchase and finances lease agreements - net	13	1,356,644	1,797,055	1,356,644	1,797,055
Deferred gain on sales and leaseback - net	13	-	440,826	-	440,826
Liability for post-employment benefits	14	10,362,035	11,566,248	10,362,035	11,566,248
Total Non-Current Liabilities		11,718,679	13,804,129	11,718,679	13,804,129
Total Liabilities		137,068,355	127,817,711	136,473,068	127,321,040
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 0.50 par value					
Authorized share capital - 280,000,000 common shares, Baht 0.50 par value	15	140,000,000	140,000,000	140,000,000	140,000,000
Issued and fully paid-up share capital - 280,000,000 common shares, Baht 0.50 par value					
Baht 0.50 par value	15	140,000,000	140,000,000	140,000,000	140,000,000
Premium on shares	15	177,835,192	177,835,192	177,835,192	177,835,192
Retained earnings					
- Appropriated for legal reserve	16	3,029,499	2,070,528	3,029,499	2,070,528
- Unappropriated		44,481,426	41,434,749	44,483,734	41,103,280
Other component of equity					
- Change in fair value of current investment	5	-	127,456	-	127,456
Equity attributable to Owners of the Parent		365,346,117	361,467,925	365,348,425	361,136,456
Non-controlling interests	8	300	399	-	-
Total Shareholders' Equity		365,346,417	361,468,324	365,348,425	361,136,456
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		502,414,772	489,286,035	501,821,493	488,457,496

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



(Signature)
(Mr. Ek Suwatthanaphim)

(Signature)
(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
REVENUES					
Sales - net	4	592,034,458	556,198,814	585,295,417	550,485,228
Other income	13	2,964,478	4,591,981	2,841,220	4,100,341
Total Revenues		594,998,936	560,790,795	588,136,637	554,585,569
EXPENSES					
Cost of sales	4, 14	439,028,345	391,213,328	439,063,949	391,213,328
Distribution costs		15,726,762	14,267,162	14,602,691	12,172,327
Administrative expenses	4, 10, 14, 23	116,472,779	106,239,792	110,365,953	102,293,842
Finance costs	13	387,028	3,929,436	386,146	3,926,155
Total Expenses		571,614,914	515,649,718	564,418,739	509,605,652
PROFIT BEFORE INCOME TAX EXPENSE		23,384,022	45,141,077	23,717,898	44,979,917
Income Tax Expense	19	4,538,473	6,100,947	4,538,473	6,050,788
PROFIT FOR THE YEAR		18,845,549	39,040,130	19,179,425	38,929,129
Other Comprehensive Income (Loss)					
<i>Reclassification to profit or loss</i>					
- Change in fair value of current investment	5	(127,456)	127,456	(127,456)	127,456
<i>Item that will not be subsequently reclassified to profit or loss</i>					
- Actuarial gain on measurement of liability for post-employment benefits (net of income tax expense of Baht 480,624)	14, 19	-	1,922,495	-	1,922,495
Other Comprehensive Income (Loss) for the Year		(127,456)	2,049,951	(127,456)	2,049,951
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		18,718,093	41,090,081	19,051,969	40,979,080
Profit (Loss) Attributable to:					
Owners of the parent		18,845,648	39,040,097	19,179,425	38,929,129
Non-controlling interests		(99)	33	-	-
Profit for the Year		18,845,549	39,040,130	19,179,425	38,929,129
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		18,718,192	41,090,048	19,051,969	40,979,080
Non-controlling interests		(99)	33	-	-
Total Comprehensive Income for the Year		18,718,093	41,090,081	19,051,969	40,979,080
Basic Earnings per Share		0.07	0.18	0.07	0.18
Weighted Average Number of Common Shares		280,000,000	216,438,356	280,000,000	216,438,356

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



(Mr. Ek Suwatthanaphim)

(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Consolidated (In Baht)									
		Retained Earnings				Change in		Equity Attributable	Total
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated (Deficit)	Fair Value of Current Investment	to Owners of the Parent	Non-Controlling Interests	Shareholders' Equity
Note									
Beginning Balance as at January 1, 2016									
15	Proceeds from public offering	100,000,000	-	120,658	2,422,027	-	102,542,685	366	102,543,051
16	Appropriation for legal reserve	40,000,000	177,835,192	-	-	-	217,835,192	-	217,835,192
	Total comprehensive income for the year	-	-	1,949,870	(1,949,870)	-	-	-	-
		-	-	-	40,962,592	127,456	41,090,048	33	41,090,081
Ending Balance as at December 31, 2016									
18	Payment of dividends	140,000,000	177,835,192	2,070,528	41,434,749	127,456	361,467,925	399	361,468,324
16	Appropriation for legal reserve	-	-	-	(14,840,000)	-	(14,840,000)	-	(14,840,000)
	Total comprehensive income for the year	-	-	958,971	(958,971)	-	-	-	-
		-	-	-	18,845,648	(127,456)	18,718,192	(99)	18,718,093
Ending Balance as at December 31, 2017									
		140,000,000	177,835,192	3,029,499	44,481,426	-	365,346,117	300	365,346,417

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



Signature

(Mr. Ek Suwathanaphim)

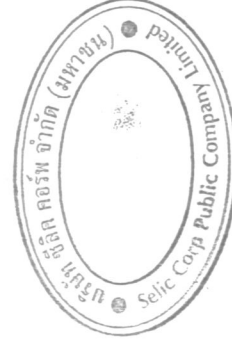
Signature

(Mr. Kiattisak Suwathanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Note	The Company Only (In Baht)					
		Issued and Fully Paid-up Share Capital	Premium on Shares	Retained Earnings		Change in Fair Value of Current Investment	Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated (Deficit)		
Beginning Balance as at January 1, 2016		100,000,000	-	120,658	2,201,526	-	102,322,184
Proceeds from public offering	15	40,000,000	177,835,192	-	-	-	217,835,192
Appropriation for legal reserve	16	-	-	1,949,870	(1,949,870)	-	-
Total comprehensive income for the year		-	-	-	40,851,624	127,456	40,979,080
Ending Balance as at December 31, 2016		140,000,000	177,835,192	2,070,528	41,103,280	127,456	361,136,456
Payment of dividends	18	-	-	-	(14,840,000)	-	(14,840,000)
Appropriation for legal reserve	16	-	-	958,971	(958,971)	-	-
Total comprehensive income for the year		-	-	-	19,179,425	(127,456)	19,051,969
Ending Balance as at December 31, 2017		140,000,000	177,835,192	3,029,499	44,483,734	-	365,348,425

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



Ek

(Mr. Ek Suwathanaphim)

Kiat

(Mr. Kiat Sak Suwathanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	23,384,022	45,141,077	23,717,898	44,979,917
Adjustments				
Depreciation and amortization	23,267,635	21,927,389	23,255,636	21,917,593
Expenses on post-employment benefits	1,909,067	2,131,252	1,909,067	2,131,252
Loss on written-off assets	-	303	-	303
Unrealized loss (gain) on exchange rate	466,588	(839,840)	209,904	(635,558)
Loss (gain) on sales of equipment	1,025,802	(914,072)	1,025,802	(914,072)
Increase (decrease) in allowance for doubtful accounts	(1,233,616)	2,173,974	(1,233,616)	2,173,974
Loss on obsolete inventories	2,695,959	-	2,695,959	-
Gain on sales of current investment	(1,038,090)	-	(1,038,090)	-
Unrealized loss (gain) on valuation of fair value of derivatives	(46,816)	19,025	(32,816)	(13,619)
Interest income	(193,572)	(86,278)	(193,572)	(86,278)
Interest expense	387,029	3,929,436	386,146	3,926,155
Decrease (increase) in operating assets	-			
Trade and other receivables	(13,877,414)	26,669,453	(29,052,794)	26,106,487
Inventories	(8,632,844)	(20,544,008)	(8,597,240)	(20,544,008)
Other current assets	(6,800,302)	(311,340)	(3,898,237)	2,675,082
Other non-current assets	24,955	(4,754,614)	24,955	(4,754,614)
Increase (decrease) in operating liabilities				
Trade and other payables	16,357,808	18,681,044	16,207,557	20,092,889
Payments of liability for post-employment benefits	(3,113,280)	(70,000)	(3,113,280)	(70,000)
Other current liabilities	(77,021)	(728,962)	(75,150)	(784,872)
Cash received from operating activities	34,505,910	92,423,839	22,198,129	96,200,631
Income tax paid	(3,024,369)	(11,468,362)	(2,930,891)	(11,468,362)
Net Cash Provided by Operating Activities	31,481,541	80,955,477	19,267,238	84,732,269
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase (decrease) in current investment	143,038,090	(142,000,000)	143,038,090	(142,000,000)
Additions to plant and equipment	(47,638,888)	(17,487,708)	(47,638,888)	(17,451,708)
Additions to intangible assets	(946,920)	(654,300)	(946,920)	(654,300)
Proceeds from sales of equipment	868,351	965,819	868,351	965,819
Interest received	193,572	86,278	193,572	86,278
Net Cash Provided by (Used in) Investing Activities	95,514,205	(159,089,911)	95,514,205	(159,053,911)




(Mr. Ek Suwatthanaphim)


(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from public offering (net of expenses on offering of Baht 14.16 million)	-	217,835,192	-	217,835,192
Decrease in bank overdrafts and short-term borrowings from financial institutions	(2,931,994)	(132,322,975)	(2,931,994)	(132,322,975)
Payments of liabilities under hire purchase and finances lease agreements	(2,190,428)	(3,157,649)	(2,190,428)	(3,157,649)
Dividends paid	(14,837,171)	-	(14,837,171)	-
Interest paid	(388,219)	(3,103,580)	(387,336)	(3,100,299)
Net Cash Provided by (Used in) Financing Activities	(20,347,812)	79,250,988	(20,346,929)	79,254,269
NET INCREASE IN CASH AND CASH EQUIVALENTS	106,647,934	1,116,554	94,434,514	4,932,627
Cash and Cash Equivalents at Beginning of Year	14,880,157	13,763,603	13,961,896	9,029,269
CASH AND CASH EQUIVALENTS AT END OF YEAR	121,528,091	14,880,157	108,396,410	13,961,896
Supplementary disclosures of cash flow information:				
a. Cash and cash equivalents at end of year:				
Cash in hand	288,236	695,475	226,869	665,362
Current accounts at banks	15,547,314	8,223,756	11,048,786	7,335,608
Savings deposits at banks	105,692,541	5,960,926	97,120,755	5,960,926
Total	121,528,091	14,880,157	108,396,410	13,961,896
b. Non-cash transactions:				
Increase (decrease) in payables on purchase of equipment	594,399	(487,829)	594,399	(487,829)
Purchases of vehicles by means of hire purchase agreements	647,664	3,514,507	647,664	3,514,507
Dividends payable	2,829	-	2,829	-
Intangible assets transferred from other non-current assets (deposits)	5,076,480	-	5,076,480	-
Transfer of other non-current assets (deposits) to offset with liabilities under finances lease agreements	2,437,160	-	2,437,160	-

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




(Mr. Ek Suwatthanaphim)


(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to Financial Statements

December 31, 2017 and 2016

1. GENERAL

Selic Corp Public Company Limited (“the Company”), formerly Selic Corp Company Limited, was registered as a juristic company of Thailand on June 29, 2012, formed by the amalgamation between Selic Chemical Company Limited (SLCM) and EVA Manufacturing Company Limited (EVAM). The amalgamation has resulted SLCM and EVAM ceased to be an entity on June 28, 2012 and the Company acquired assets, liabilities, rights, duties and obligations of both SLCM and EVAM and effective legislation on June 29, 2012. Subsequently on June 21, 2016, the Company was transformed from being juristic person as a limited company under the Civil and Commercial Code to a limited public company under the Public Limited Companies Act B.E. 2535 and was registered in the Market for Alternative Investment on October 18, 2016 (see Note 15).

The Company is engaged in the production and sales of adhesives used in industrial applications for both domestic and international markets and its registered office addresses is located at 270 Liapkhlongphasicharoen Fangtai Road, Nongkhaem, Bangkok.

2. BASIS FOR FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which are the core functional currency, and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The consolidated financial statements for the years ended December 31, 2017 and 2016 included the accounts of the Company and its subsidiary in which the Company has the controlling power or direct / indirect shareholding as follows:

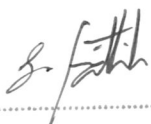
Company Name	Type of Business	Authorized Share Capital		Percentage of Direct / Indirect Shareholding	
		2017	2016	2017	2016
E.V.A. International Company Limited	Wholesales of industrial chemicals	Baht 1 million	Baht 1 million	99.97	99.97

Significant intercompany transactions between the Company and its subsidiary have been eliminated in the preparation of the consolidated financial statements.

Starting from January 1, 2017, the Company and its subsidiary had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised by FAP, which became effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiary.




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(Mr. Ek Suwatthanaphim)


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(Mr. Kiattisak Suwatthanaphim)

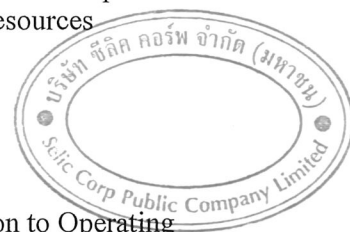
SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette in September 2017 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2018 whereby the Company and its subsidiary had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

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

Management of the Company and its subsidiary has preliminarily assessed and believed that there will be no material effect to the financial statements of the Company and its subsidiary upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

The Company and its subsidiary disclosed information for the year ended December 31, 2016 for being the comparative information in the financial statements for the year ended December 31, 2017 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary.

Significant intercompany transactions between the Company and its subsidiary have been eliminated in the preparation of the consolidated financial statements.

Subsidiary

Subsidiary is those company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies as well as variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiary are transformed as deemed necessary to uniform for the similar policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, any gain or loss is recognized in the statement of comprehensive income. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

Use of Estimates

In order to prepare financial statements in conformity with the Thai accounting standards and the Thai financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade receivables
- Useful lives and residual values of plant and equipment and intangible assets
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Trade / Other Receivables and Allowance for Doubtful Accounts

Trade and other receivables are carried at original invoice amount or at the accrued amount net of allowance for doubtful accounts.

The Company and its subsidiary provide an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on the historical collection experience coupled with the review of current status of the existing receivables.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is calculated and determined using the First-In, First-Out method.

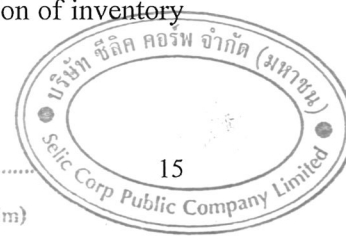
Costs of inventories comprise the purchase cost, conversion costs, and other costs incurred in bringing the inventories to their present location and condition. In case of own-manufactured inventories and work in process, costs of inventories include the appropriate allocation of production overheads which is based on the normal capacity of production facilities.

Net realizable value is the estimate of the selling price in the ordinary course of business less necessary costs to sell.

The Company determines the allowance for obsolete inventories based on the consideration of inventory condition and related specific information maintained in accounting system.

(Mr.Ek Suwatthanaphim)

(Mr.Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Investment

Current investment

Current investment is investment in marketable unit trusts which is held by the Company as available-for-sale securities and stated at fair value. Gains or losses arising from changes in the investment value are recorded as other comprehensive income in the statements of comprehensive income and are presented as a separate item under shareholders' equity. In case the Company disposes a part of its holding of a particular investment, the deemed cost of the part sold and the part still remained is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Fair value of unit trusts is determined from the net asset value of mutual fund that issued the particular unit trust which is the Level 1 inputs of the fair value hierarchy.

Investment in subsidiary

Investment in subsidiary in the separate financial statements is accounted for using the cost method and stated at cost net of allowance for impairment (if any).

Plant and Equipment

Plant (on the leased land) and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying amounts are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each significant part of an item of assets. Depreciation methods, residual values, and useful lives are reviewed at each financial year-end, at least, and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life. The useful lives of the assets are as follows:

	No. of Years
Buildings and building improvements (on the leased land)	5, 10, 20
Machinery and equipment	5, 20
Furniture, fixtures and office equipment	3, 5
Vehicles	5

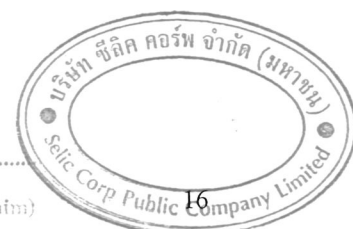
No depreciation has been charged for assets under construction or installation.

Intangible Assets

Intangible assets are computer programs that are stated at cost net of accumulated amortization and allowance for impairment (if any). Amortization is made on a straight-line method over the useful lives of the assets of 5 years.


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(Mr. Ek Suwatthanaphim)


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(Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Impairment of Assets

The carrying amounts of the assets of the Company and its subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less costs to sell or value in use) shall be estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Company and its subsidiary recognize the impairment losses by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statements of comprehensive income. The reversal of the recognized impairment losses is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Payables

Trade and other payables are stated at cost.

Finance Lease

Leases or hire purchases of assets which the lessee is transferred all the risks and rewards of ownership and that the lessee intends to exercise the option of the leases to purchase the assets at the expiration of the lease term are classified as finance leases. Finance leases are capitalized for asset and liability at the inception of the lease at the lower of the present value of the minimum lease payments or the fair value of the leased assets. Each lease payment is allocated between the liability and finance charges so as to achieve an effective rate on the finance balance outstanding.

The Company and its subsidiary account for gain on sales and finance leaseback of asset (selling price is greater than carrying value) as deferred item presented under non-current liabilities in the statement of financial position and recognized as other income in the statement of comprehensive income by the straight-line basis over the lease term. Loss on sales and finance leaseback is immediately recognized as expense in the statement of comprehensive income.

Operating Lease

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

Employment Benefits

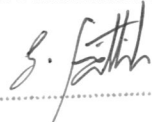
Short-term benefits

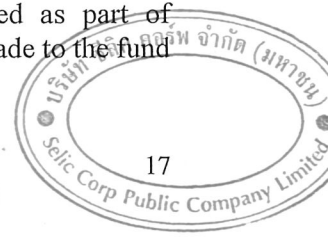
Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as part of administrative expenses in the statement of comprehensive income when contribution is made to the fund on an accrual basis.


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(Mr. Ek Suwatthanaphim)


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(Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed, or at least every three years, by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost (if any) which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss.

Revenue Recognition

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

Sales are recognized net of discounts when delivery has taken place and transfer of risks and rewards of ownership to the buyer has been completed.

Service income is recognized when the Company has completely rendered service to the customer and on an accrual basis.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset if significant.

Dividend income is recognized on the date that the Company has the right to receive dividends which is generally considered as the date of dividends declaration.

Other income is recognized on an accrual basis.

Expense Recognition

Expenses are recognized on an accrual basis.

Borrowing Costs

Interest and financial charges on liabilities acquired for construction of building and installation of machinery and equipment is capitalized as part of the cost of the asset. The capitalization of such finance costs is ceased when the construction or installation is completed and ready for the intended use.

Foreign Currency Transactions

Transactions in foreign currencies are translated and recorded in Thai Baht at the exchange rates prevailing at the dates of the transactions. The outstanding balances of monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the exchange rates prevailing at those dates. Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions. Gain or loss on foreign exchange differences arising on translation are recognized as profit or loss in the statement of comprehensive income.



(Mr. Ek Suwatthanaphim)



(Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from the operating activities. Derivative financial instruments are not used for any trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, they are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss in the statement of comprehensive income.

The fair value of derivative financial instruments is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy (see Note 21), whereby such price is the present value of the quoted derivative price. Market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

Provisions

A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Income Tax

Current tax

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years (if any).

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized (see Note 19).

Basic Earnings per Share

Basic earnings per share is determined by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year.

4. TRANSACTIONS WITH RELATED PARTIES

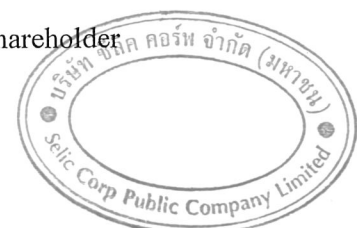
Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related parties are as follows:

Company / Person Name	Type of Business	Relationship
E.V.A. International Company Limited	Wholesales of industrial chemicals	Subsidiary
S.O.M. International Company Limited	Sales of chemical solution and soap for tanning, sciences glue and chemical	Shareholder and director are close relative of directors
News EVA Company Limited	Wholesale of basic types of glue chemicals	Shareholder and director are close relative of directors
Big Jet Travel Company Limited	Sales of air ticket for domestic and international routes and accommodation booking service	Co-director
Mrs. Sumanee Suwatthanaphim	-	Relative of shareholder and director


 (Mr. Ek Suwatthanaphim)


 (Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Company / Person Name	Type of Business	Relationship
Key management	-	Key management are persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether as executive or otherwise).

Pricing policies for transactions with related parties are as follows:

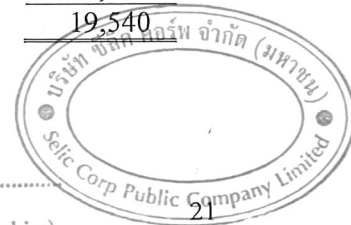
Type of Transaction	Pricing policies
Sales of products	Prices approximated market prices
Land rental charges	Mutually agreed price referenced to the valuation of an independent appraiser
Employees accommodation rental charges	Mutually agreed price
Consultancy fee	Mutually agreed amount
Travelling expenses (air ticket fare)	Mutually agreed price
Management fee	Mutually agreed price
Purchase of equipment	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Corporate guarantee on credit facilities	Free of charge

Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Sales of products				
- Subsidiary	-	-	40,691	42,135
Land rental charges				
- Related person (see Note 24)	3,069	2,892	3,069	2,892
Employees accommodation rental charges				
- Related person	101	101	101	101
Consultancy fee				
- Related person	714	-	714	-
Travelling expenses (air ticket fare)				
- Related company	-	128	-	128
Purchase of equipment				
- Related company	-	960	-	960
Key management's remunerations				
- Short-term benefits	22,825	19,261	20,215	17,827
- Post-employment benefits	1,832	1,771	1,727	1,713
Total	24,657	21,032	21,942	19,540

(Mr. Ek Suwatthanaphim)

(Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Significant outstanding balances with related parties as at December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Trade receivables				
- Subsidiary	-	-	31,408	12,481
Other receivables				
- Related company	558	-	558	-
Advances				
- Subsidiary	-	-	-	21
- Related person	-	1	-	-
Total	-	1	-	21
Total trade and other receivables	558	1	31,966	12,502
Advances (other payables)				
- Subsidiary	-	-	15	-

5. CURRENT INVESTMENT

	Consolidated and the Company Only (In Thousand Baht)			
	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Unit trusts of mutual fund	-	-	142,000	142,127
Add Unrealized gain on valuation of fair value of investment	-	-	127	-
Total	-	-	142,127	142,127

6. TRADE AND OTHER RECEIVABLES

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Related parties				
Trade receivables	-	-	31,408	12,481
Advances	-	1	-	21
Other receivables	558	-	558	-
Total	558	1	31,966	12,502
Other parties - net				
Trade receivables	136,775	123,859	123,814	114,375
Less Allowance for doubtful accounts	(914)	(2,148)	(914)	(2,148)
Net	135,861	121,711	122,900	112,227
Prepaid expenses	1,935	2,161	1,935	2,161
Advances	20	-	20	-
Other receivables	40	287	40	287
Total	137,856	124,159	124,895	114,675


 (Mr. Ek Suwatthanaphim)


 (Mr. Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

As at December 31, 2017 and 2016, trade receivables classified by outstanding period are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Related parties				
Current	-	-	24,122	12,481
Overdue:				
Not exceeding 3 months	-	-	6,117	-
Between 3 months and 6 months	-	-	1,169	-
Total	-	-	31,408	12,481
Other parties - net				
Current	101,240	92,149	92,593	84,556
Overdue:				
Not exceeding 3 months	32,090	21,554	29,133	20,437
Between 3 months and 6 months	1,145	6,484	1,145	6,294
Between 6 months and 12 months	1,248	2,733	-	2,149
Exceeding 12 months	1,052	939	943	939
Total	136,775	123,859	123,814	114,375
Less Allowance for doubtful accounts	(914)	(2,148)	(914)	(2,148)
Net	135,861	121,711	122,900	112,227

During 2016, the Company wrote-off balance of trade receivables as bad debt amounting to approximately Baht 27 thousand.

7. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Finished goods	27,529	24,902	27,493	24,902
Work-in-process	5,491	4,997	5,491	4,997
Raw materials	59,645	46,538	59,645	46,538
Factory supplies	5,380	5,262	5,380	5,262
Raw materials in transit	8,244	15,957	8,244	15,957
Total	106,289	97,656	106,253	97,656
Less Allowance for obsolete inventories	(2,696)	-	(2,696)	-
Net	103,593	97,656	103,557	97,656

8. INVESTMENT IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD

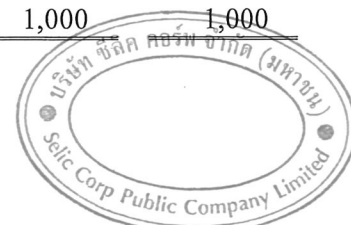
	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Holdings		Cost of Investment (In Thousand Baht)	
	2017	2016	2017	2016	2017	2016
E.V.A. International Company Limited	1,000	1,000	99.97	99.97	1,000	1,000

(Signature)

(Mr.Ek Suwatthanaphim)

(Signature)

(Mr.Kiattisak Suwatthanaphim)



SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

At the Board of Directors' meeting held on September 2, 2015, the Board of Directors approved the Company to establish a subsidiary, i.e. E.V.A. International Company Limited ("EVA"), in order to carry on the business relating to wholesales of industrial chemicals. Subsequently, on September 25, 2015, EVA has been established and registered under the laws of Thailand with the authorized share capital of Baht 1 million (divided into 10,000 common shares at Baht 100 par value). The Company has the percentage of shareholding in EVA at 99.97% while the rest of 0.03%, which is non-controlling interest, is held by directors and key management of the Company, totalling 3 persons.

During 2017 and 2016, the subsidiary did not declare any dividend to the shareholders.

9. PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)			
	Balance as at	Movements during the Year		
	December 31, 2016	Addition	Deduction	Transfer
Cost				
Building and improvements	47,891	1,389	-	1,766
Machinery and equipment	137,565	2,389	3,093	606
Furniture, fixtures and office equipment	25,064	9,574	-	2,638
Vehicles	30,179	899	4,559	-
Construction in progress and machinery under installation	2,601	34,189	-	(5,010)
Total Cost	243,300	48,440	7,652	-
Accumulated Depreciation				
Building and improvements	32,667	4,404	-	-
Machinery and equipment	76,663	12,473	1,223	-
Furniture, fixtures and office equipment	17,364	4,327	-	-
Vehicles	25,613	1,215	4,535	-
Total Accumulated Depreciation	152,307	22,419	5,758	-
Net	90,993			

	Consolidated (In Thousand Baht)			
	Balance as at	Movements during the Year		
	December 31, 2015	Addition	Deduction	Transfer
Cost				
Building and improvements	43,652	1,138	-	3,101
Machinery and equipment	127,243	4,214	281	6,389
Furniture, fixtures and office equipment	19,982	3,197	681	2,566
Vehicles	28,601	5,338	2,300	(1,460)
Construction in progress and machinery under installation	7,451	5,746	-	(10,596)
Total Cost	226,929	19,633	3,262	-
Accumulated Depreciation				
Building and improvements	27,794	4,873	-	-
Machinery and equipment	62,725	12,707	229	1,460
Furniture, fixtures and office equipment	15,066	2,979	681	-
Vehicles	28,349	1,024	2,300	(1,460)
Total Accumulated Depreciation	133,934	21,583	3,210	-
Net	92,995			


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

	The Company Only (In Thousand Baht)				
	Balance as at	Movements during the Year			Balance as at
	December 31, 2016	Addition	Deduction	Transfer	December 31, 2017
Cost					
Building and improvements	47,891	1,389	-	1,766	51,046
Machinery and equipment	137,565	2,389	3,093	606	137,467
Furniture, fixtures and office equipment	25,028	9,574	-	2,638	37,240
Vehicles	30,179	899	4,559	-	26,519
Construction in progress and machinery under installation	2,601	34,189	-	(5,010)	31,780
Total Cost	243,264	48,440	7,652	-	284,052
Accumulated Depreciation					
Building and improvements	32,667	4,404	-	-	37,071
Machinery and equipment	76,663	12,473	1,223	-	87,913
Furniture, fixtures and office equipment	17,354	4,315	-	-	21,669
Vehicles	25,613	1,215	4,535	-	22,293
Total Accumulated Depreciation	152,297	22,407	5,758	-	168,946
Net	90,967				115,106

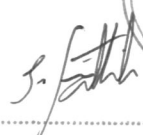
	The Company Only (In Thousand Baht)				
	Balance as at	Movements during the Year			Balance as at
	December 31, 2015	Addition	Deduction	Transfer	December 31, 2016
Cost					
Building and improvements	43,652	1,138	-	3,101	47,891
Machinery and equipment	127,243	4,214	281	6,389	137,565
Furniture, fixtures and office equipment	19,982	3,161	681	2,566	25,028
Vehicles	28,601	5,338	2,300	(1,460)	30,179
Construction in progress and machinery under installation	7,451	5,746	-	(10,596)	2,601
Total Cost	226,929	19,597	3,262	-	243,264
Accumulated Depreciation					
Building and improvements	27,794	4,873	-	-	32,667
Machinery and equipment	62,725	12,707	229	1,460	76,663
Furniture, fixtures and office equipment	15,066	2,969	681	-	17,354
Vehicles	28,349	1,024	2,300	(1,460)	25,613
Total Accumulated Depreciation	133,934	21,573	3,210	-	152,297
Net	92,995				90,967

As at December 31, 2017 and 2016, the Company's building and improvements of which carrying amounts totalling approximately Baht 9.52 million and Baht 9.95 million, respectively, was used as guarantees for the credit facilities with financial institutions as discussed in Note 11.

As at December 31, 2017 and 2016, the Company's machinery and vehicles of which carrying amounts totalling approximately Baht 4.1 million and Baht 8.8 million, respectively, were under the obligations and conditions of hire purchase and finance lease agreements as discussed in Note 13.

As at December 31, 2017 and 2016, cost of the Company's plant and equipment which have been fully depreciated but still in use amounting to approximately Baht 106.5 million and Baht 93.2 million, respectively.


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

10. INTANGIBLE ASSETS - NET

	Consolidated and The Company Only (In Thousand Baht)				
	Balance as at	Movements during the Year			Balance as at
	December 31, 2016	Addition	Deduction	Transfer	December 31, 2017
Cost	5,164	6,024	-	-	11,188
Accumulated amortization	(4,410)	(849)	-	-	(5,259)
Net	754	5,175	-	-	5,929

	Consolidated and The Company Only (In Thousand Baht)				
	Balance as at	Movements during the Year			Balance as at
	December 31, 2015	Addition	Deduction	Transfer	December 31, 2016
Cost	4,510	654	-	-	5,164
Accumulated amortization	(4,066)	(344)	-	-	(4,410)
Net	444	310	-	-	754

As at December 31, 2017 and 2016, cost of the Company's intangible assets which have been fully amortized but still in use amounting to approximately Baht 4.0 million and Baht 3.8 million, respectively.

Amortization, which was presented as part of "Administrative expenses" for years ended December 31, 2017 and 2016, amounting to approximately Baht 0.8 million and Baht 0.3 million, respectively.

11. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Loans under promissory notes	2,180	5,142

As at December 31, 2017 and 2016, the Company had overdraft lines with two local banks and a local bank amounting to Baht 38.8 million and Baht 28.8 million, respectively, which bear interest at Minimum Overdraft Rate.

As at December 31, 2017 and 2016, the Company had trust receipt facilities with two local banks and a local bank amounting to Baht 170 million and Baht 140 million, respectively, which bear interest at 1.5% p.a. lower than Minimum Loan Rate.

As at December 31, 2017 and 2016, the Company had promissory note facilities with two local banks and a local bank, respectively, amounting to Baht 220 million and Baht 180 million, respectively, which bear interest at 1.5% p.a. lower than Minimum Overdraft Rate.

The above credit facilities are guaranteed by certain directors of the Company and their land with structures thereon and the Company's building and improvements as discussed in Note 9.


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

12. TRADE AND OTHER PAYABLES - OTHER PARTIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Trade payables	108,360	94,152	108,360	94,152
Other payables	4,628	4,267	4,519	3,961
Accrued expenses	1,774	1,343	1,724	1,293
Advances from customers	2,232	1,234	1,868	1,233
Total	116,994	100,996	116,471	100,639

13. LIABILITIES UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Liabilities under hire purchase and finance lease agreements		
- Due for payments within 1 year	1,069	4,722
- Due for payments within 2 - 5 years	1,419	1,922
Total	2,488	6,644
Less Deferred interest	(170)	(346)
Liabilities under hire purchase and finance lease agreements - net of deferred interest	2,318	6,298
Less Current portion	(962)	(4,501)
Net	1,356	1,797

Amortized interest, which was presented as part of "Finance costs" in the statements of comprehensive income for the years ended December 31, 2017 and 2016, amounted to approximately Baht 0.2 million and Baht 0.4 million, respectively.

During 2013 to 2017, the Company entered into hire purchase and finance lease agreements of machinery and vehicles with two local financial institutions and a local leasing company for the periods of 20 to 48 months whereby such hire purchase and finance lease agreements will end during 2017 to 2021.

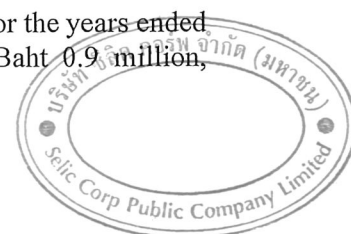
In October 2013, the Company entered into sales and finance leaseback agreements of machinery and equipment with a local leasing company for a period of 48 months, which comprise gain on sales and finance leaseback as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Deferred gain on sales and finance leaseback	3,527	3,527
Less Cumulative recognized amount	(3,527)	(3,086)
Net	-	441

Gain on sales and finance leaseback, which was recognized as part of "Other income" for the years ended December 31, 2017 and 2016, amounted to approximately Baht 0.4 million and Baht 0.9 million, respectively.


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

14. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Company has obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2016. Movements of liability for post-employment benefits for the years ended December 31, 2017 and 2016 are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Liability for post-employment benefits as at January 1	11,566	11,908
Current service cost	1,743	1,963
Interest cost	166	168
Expense recognized as profit or loss item in statement of comprehensive income	1,909	2,131
Actuarial gain on measurement	-	(2,403)
Expense (reversal of expense) recognized in statement of comprehensive income	1,909	(272)
Employee benefits paid during the year	(3,113)	(70)
Liability for post-employment benefits as at December 31	10,362	11,566

Significant assumptions used in calculation of liability for post-employment benefits as at December 31, 2017 and 2016 are as follows:

- Discount rate 2.07% p.a.
- Salary escalation rate 5% p.a.
- Employee turnover rate 0% - 42% p.a.

Expenses for post-employment benefits, which were recorded as part of cost of sales and administrative expenses, amounted to approximately Baht 0.8 million and Baht 1.1 million in 2017 and Baht 1.0 million and Baht 1.1 million in 2016, respectively.

The abovementioned actuarial gain on measurement in 2016 comprised of (1) gain from changes in demographic information and assumptions amounting to approximately Baht 2,931 thousand net of (2) loss from changes in financial assumptions amounting to approximately Baht 528 thousand.

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of provision or liability for post-employment benefits in respect of the information as per the calculation report of the qualified actuary as follows:

Significant Assumptions	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	Consolidated and The Company Only	
	If Increased by 1%	If Decreased by 1%
Discount rate	(785)	904
Salary escalation rate	1,058	(926)
Employee turnover rate	(845)	392


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

15. SHARE CAPITAL, PREMIUM ON SHARE AND APPROPRIATION OF PROFIT

At the extraordinary shareholders' meeting on June 9, 2016, the shareholders unanimously approved the significant matters as follows:

- a. Change in the par value of the Company's common share from Baht 50 to Baht 0.50 and the Company's share capital after such change comprises of 200,000,000 common shares at Baht 0.50 par value, amounting to Baht 100 million (formerly comprised of 2,000,000 common shares at Baht 50 par value, amounting to Baht 100 million). The Company registered such change in par value of common share with the Ministry of Commerce on June 21, 2016.
- b. Increase in the Company's authorized share capital from Baht 100 million (divided into 200,000,000 common shares at Baht 0.50 par value) to Baht 140 million (divided into 280,000,000 common shares at Baht 0.50 par value) by issuance of new common shares amounting to Baht 40 million (divided into 80,000,000 common shares at Baht 0.50 par value). The Company registered such increase in share capital with the Ministry of Commerce on June 21, 2016. Such newly issued 80,000,000 common shares were subsequently offered to the public after the Company was allowed to offer its securities to the public by the Office of Securities and Exchange Commission of Thailand on October 10, 2016 at the price of Baht 2.9 per share and the Market for Alternative Investment issued an order accepting the common shares of the Company as the registered securities on October 18, 2016. As a result of the Company's initial public offering of its common shares in October 2016, the Company received the proceeds of Baht 232 million which was recorded as its share capital of Baht 40 million and premium on shares of approximately Baht 177.8 million (net of expenses on offering of common shares totalling approximately Baht 14.2 million which were paid in 2016, 2015 and 2014 of approximately Baht 12.7 million, Baht 0.2 million and Baht 1.3 million, respectively) which was presented as the separate item under "Shareholders' equity" in the consolidated and separate statements of financial position. In addition, Section 51 of the Public Limited Companies Act, B.E. 2535 (1992) requires companies to set aside share subscription money received in excess of the par value of the shares issued to a reserve account, premium on shares, separated from the reserve account referred to in Section 116 of the Public Limited Companies Act, B.E. 2535 (1992) ("Legal reserve") (see Note 16). Premium on shares is not available for dividend distribution.

16. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires the Company to appropriate not less than 5% of its annual profit, less accumulated losses brought forward (if any), to a reserve account ("Legal reserve") until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

17. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Raw materials and supplies used	382,601	334,211	382,601	334,211
Employee expenses	89,274	88,669	85,141	85,787
Depreciation and amortization	23,268	21,927	23,256	21,918
Export expenses	7,959	7,371	6,880	5,362
Purchases of finished goods	4,243	6,816	4,243	6,816
Bad debt and provision for doubtful accounts (reversal of provision for doubtful accounts)	(1,234)	2,174	(1,234)	2,174
Finance costs	387	3,929	386	3,926
Changes in finished goods and work-in-process	3,121	(6,802)	3,085	(6,802)

(Mr.Ek Suwatthanaphim)

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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

18. DIVIDENDS

At the general shareholders' meeting on April 5, 2017, the shareholders unanimously passed the resolution for the Company to pay dividends from the 2016 operations to the shareholders at Baht 0.053 per share, totalling Baht 14.84 million, whereby the Company paid such dividends to the shareholders on April 27, 2017.

19. INCOME TAX

Corporate income tax recorded as (income) expense for the years ended December 31, 2017 and 2016 consists of:

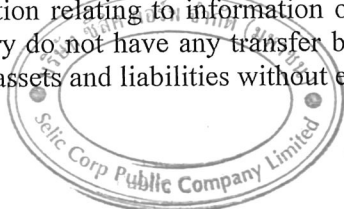
	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Income tax computed from accounting profit	4,677	9,028	4,743	8,996
Effects from non-deductible expenses or item not yet recognized in accounting	2,349	1,509	2,274	1,491
Effects from additional deductible expenses	(2,723)	(4,171)	(2,714)	(4,171)
Current tax computed from taxable profit	4,303	6,366	4,303	6,316
Decrease (Increase) in deferred tax assets	235	(266)	235	(266)
Income tax presented as profit or loss item in statement of comprehensive income	<u>4,538</u>	<u>6,100</u>	<u>4,538</u>	<u>6,050</u>
Decrease in deferred tax assets attributable to other comprehensive income item	<u>-</u>	<u>481</u>	<u>-</u>	<u>481</u>

Deferred tax assets presented in statements of financial position as at December 31, 2017 and 2016 consist of:

	Consolidated and The Company Only (In Thousand Baht)	
	2017	2016
Effects from temporary non-deductible items or item not yet recognized in accounting *		
- Allowance for doubtful accounts	19	30
- Accrued land rental charges	61	-
- Deferred gain on sales and leaseback *	-	88
- Liability for post-employment benefits	2,116	2,313
Total deferred tax assets	<u>2,196</u>	<u>2,431</u>

20. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

The gross profit margin emphasized in statement of income is significant and core financial information of the Company and its subsidiary that is provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Company and its subsidiary have a single core operating segment (identified by internal reporting segments), i.e. manufacturing and sales of adhesives used in various industries, both in domestic and abroad, whereby the other segments are insignificant portion. Accordingly, the accompanying financial statements do not include information relating to information on business or product segment. In addition, the Company and its subsidiary do not have any transfer between segments and are unable to apportion the segment information for assets and liabilities without excessive costs.



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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Information on Geographic Areas

	Consolidated (In Thousand Baht)					
	Export		Domestic		Total	
	2017	2016	2017	2016	2017	2016
Sales - net	260,574	229,578	331,460	326,621	592,034	556,199
Less Segment expenses - cost of sales	(204,752)	(168,202)	(234,276)	(223,011)	(439,028)	(391,213)
Segment result	55,822	61,376	97,184	103,610	153,006	164,986
Add non-allocated revenues						
- Other income					2,965	4,591
Less non-allocated expenses						
- Distribution costs					(15,727)	(14,267)
- Administrative expenses					(116,473)	(106,240)
- Finance costs					(387)	(3,929)
- Income tax expense					(4,538)	(6,100)
Profit for the year					18,846	39,041

	The Company Only (In Thousand Baht)					
	Export		Domestic		Total	
	2017	2016	2017	2016	2017	2016
Sales - net	213,376	181,729	371,919	368,756	585,295	550,485
Less Segment expenses - cost of sales	(164,100)	(126,067)	(274,964)	(265,146)	(439,064)	(391,213)
Segment result	49,276	55,662	96,955	103,610	146,231	159,272
Add non-allocated revenues						
- Other income					2,841	4,100
Less non-allocated expenses						
- Distribution costs					(14,603)	(12,172)
- Administrative expenses					(110,366)	(102,294)
- Finance costs					(386)	(3,926)
- Income tax expense					(4,538)	(6,050)
Profit for the year					19,179	38,930

Export sales classified by geographic areas (continents) are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Asia	138,750	108,082	104,736	86,082
Africa	65,206	81,524	65,206	75,083
America	17,568	20,373	5,516	1,712
Australia	37,918	18,853	37,918	18,852
Others	1,132	746	-	-
Total	260,574	229,578	213,376	181,729

The Company and its subsidiary had no any non-current asset located in the countries other than Thailand.


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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

The Company has no transaction during the year ended December 31, 2017 and 2016 with any key customer. Accordingly, the accompanying financial statements do not include information relating to key customers.

21. DISCLOSURES OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Company and its subsidiary are exposed to normal business risks relating to liquidity risk, credit risk, foreign exchange rate risk, and interest rate risk. The Company and its subsidiary have used derivative financial instruments for hedging against the foreign currency risk without intention for trading or speculation purposes. The Company and its subsidiary had no significant change in risk management policy relating to financial instruments during 2017 and 2016.

Liquidity Risk

The Company and its subsidiary manage its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the operations of the Company and its subsidiary and to mitigate the effects of fluctuations in cash flows.

Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its financial and contractual commitments. To mitigate this risk, the Company and its subsidiary periodically assess the financial viability of customers and counterparties as well as purchases of insurance policies covering a portion of risk on collections from customers.

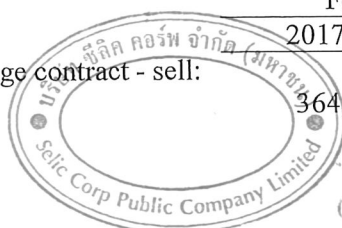
Carrying amount of receivables recorded in the consolidated and separate statements of financial position is the maximum exposure to credit risk.

Foreign Exchange Rate Risk

The Company and its subsidiary have significant business transactions internationally, including import of raw materials and merchandises as well as export of their products, giving rise to exposure to fluctuations in foreign currency exchange rates. In practical, the Company and its subsidiary reduce this risk by matching cash receipt from its customers (receivables) against cash payment to its suppliers (payables). In addition, the Company and its subsidiary have used the sell forward exchange contracts to mitigate this risk.

As at December 31, 2017 and 2016, the Company and its subsidiary had the sell forward exchange contracts as follows:

	Consolidated			
	Foreign Currency		Fixed Baht	
	2017	2016	2017	2016
Forward exchange contract - sell:				
- U.S. Dollar	473,867	640,697	15,385,424	22,781,643
	The Company Only			
	Foreign Currency		Fixed Baht	
	2017	2016	2017	2016
Forward exchange contract - sell:				
- U.S. Dollar	364,052	352,002	11,816,891	12,540,566



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SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

In addition, the fair values of sell forward exchange contracts outstanding as at December 31, 2017 and 2016 are as follows:

	Fair Value (In Baht)			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Forward exchange contract - sell	15,338,608	22,800,668	11,784,075	12,526,947

The sell forward exchange contracts as at December 31, 2017 had maturities in March 2018 both in the consolidated and separate financial statements.

As at December 31, 2017 and 2016, the Company and its subsidiary had significant outstanding non-hedged foreign currency assets and liabilities as follows:

	Consolidated			
	Foreign Currency Assets		Foreign Currency Liabilities	
	2017	2016	2017	2016
U.S. Dollar	2,581,497	1,130,502	1,369,141	1,073,001
Euro	112,496	-	-	-

	The Company Only			
	Foreign Currency Assets		Foreign Currency Liabilities	
	2017	2016	2017	2016
U.S. Dollar	2,292,473	1,153,222	1,358,045	1,072,972
Euro	112,496	-	-	-

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates in the future which may have a negative effect to the operations and cash flows of the Company and its subsidiary. The Company's management believes that the interest rate risk is minimal for the Company and its subsidiary because the Company's and its subsidiary's deposits at banks, bank overdrafts and short-term borrowings bear interest at the floating market interest rates. Liabilities under hire purchase and financial lease agreements bear interest at fixed rates which approximates market interest rates.

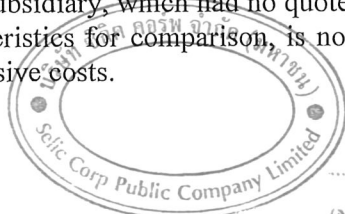
Fair Value Measurements

The following method and assumptions were used by the Company and its subsidiaries in estimating fair values of financial assets and financial liabilities:

Cash and cash equivalents, current investment, trade and other receivables, short-term borrowings from financial institutions, trade and other payables, and liabilities under hire purchase and finances lease agreements

Carrying amounts of the above accounts approximate fair values due to these financial instruments were stated at cash status or had the relatively short-term maturities or bear interest at the floating and fixed interest rates which approximates market interest rates whereas current investment was stated at fair value.

Investment in subsidiary, which had no quoted market price or other observable information that contain similar characteristics for comparison, is not practicable to be estimated the proper fair value without incurring excessive costs.



(Mr. Ek Suwatthanaphim)

[Signature]
 (Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

22. CAPITAL MANAGEMENT

Significant objectives of the Company and its subsidiary on capital management are to ensure that they have an appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue their businesses as a going concern. The Company and its subsidiary did not have any significant change relating to capital management policy during 2017 and 2016.

Debt-to-Equity ratio for the consolidated financial statements as at December 31, 2017 and 2016 was 0.38 : 1.00 and 0.35 : 1.00, respectively, whereas for the separate financial statements as at December 31, 2017 and 2016 was 0.37 : 1.00 and 0.35 : 1.00, respectively.

23. REGISTERED EMPLOYEES' PROVIDENT FUND

The Company and its subsidiary have a contributory registered employees' provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company, subsidiary and employees contribute an amount equivalent to 5% of the employees' basic salaries to the fund. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company and its subsidiary's contribution, which was recorded as part of administrative expenses for the years ended December 31, 2017 and 2016, amounted to approximately Baht 1.9 million and Baht 1.7 million, respectively. The Company's contribution amounted to approximately Baht 1.9 million and Baht 1.6 million, respectively.

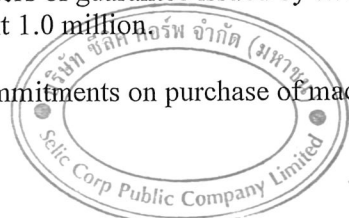
24. OTHERS

As at December 31, 2017, the Company had:

- a) Commitments on land and building rental agreement with a related person for being the operating location. The term of such rental agreement is for a period of fifteen (15) years and will end in June 2031. Under the terms of such agreement, the Company is committed to pay the rental charge as follows:

	In Million Baht
Due for payments within one year	2.9
Due for payments after one year but not exceeding five years	11.8
Due for payments beyond five years	26.3
Total	41.0

- b) Commitments on several agreements for managerial advisory services which shall be due for payments within one year totalling approximately Baht 1.8 million.
- c) Commitments on car rental for executives totalling approximately Baht 3.6 million, which shall be due for payments within one year amounting to approximately Baht 1.8 million and the rest of approximately Baht 1.8 million shall be due for payments after one year but not exceeding five years.
- d) Unused letters of credit with a local bank amounting to approximately Baht 15.8 million.
- e) Letters of guarantee issued by two local banks to two government agencies totalling approximately Baht 1.0 million.
- f) Commitments on purchase of machinery and equipment totalling approximately Baht 5.2 million.




(Mr. Ek Suwatthanaphim)


(Mr. Kiattisak Suwatthanaphim)

SELIC CORP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
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25. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 28, 2017, the Board of Directors passed the resolution to approve the Company to pay dividends from the 2017 operations to the shareholders at Baht 0.027 per share, totalling Baht 7.56 million, whereby this resolution will be proposed for approval in the upcoming shareholders' meeting.

26. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved to be issued by the Company's Board of Directors' meeting on February 28, 2018.



(Mr. Ek Suwatthanaphim)



(Mr. Kiattisak Suwatthanaphim)

