

Annual Report 2015

SCG Packaging Public Company Limited

Your
Unbounded
Answers



SCG Packaging Public Company Limited Company Profile

Registration no.	0107537000921
Head office address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business type	Holding company for packaging and packaging paper, forestry, pulp and paper and other businesses
Initial registered capital	(as at the registration date of conversion into the Public Limited Company on March 24, 1994) Registered capital: 1,000 Million Baht Paid-up capital: 1,000 Million Baht Issued and paid up ordinary shares of: 100 Million shares, Issued and paid up preference shares: - None - Par value of 10 Baht per share
Present registered capital	Registered capital: 1,563 Million Baht Paid-up capital: 1,563 Million Baht Issued and paid up ordinary shares of: 156.3 Million shares, Issued and paid up preference shares: - None - Par value of 10 Baht per share
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First 10 Major Shareholders
(As of December 31, 2015)

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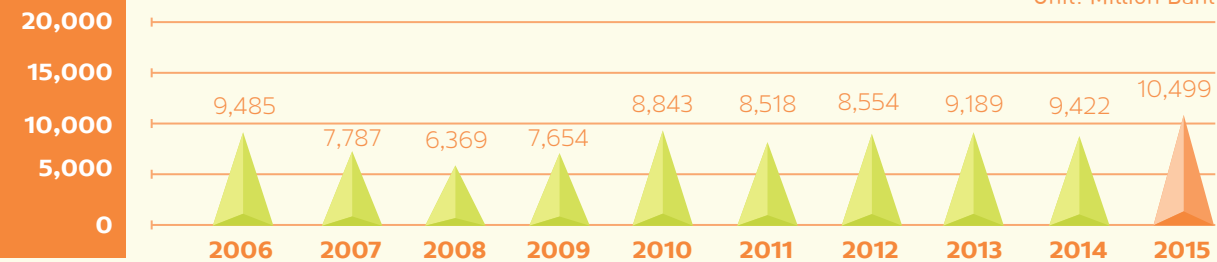
Financial Overview

SCG Packaging Public Company Limited
and its Subsidiaries

Earnings Before Interest, Tax,
Depreciation and Amortization - EBITDA

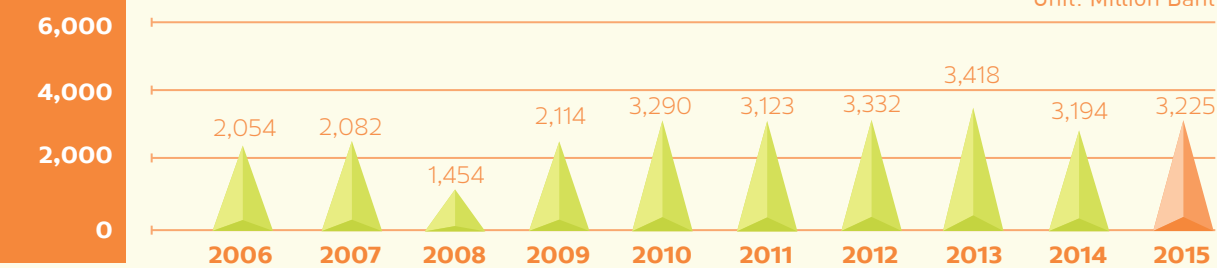


Unit: Million Baht



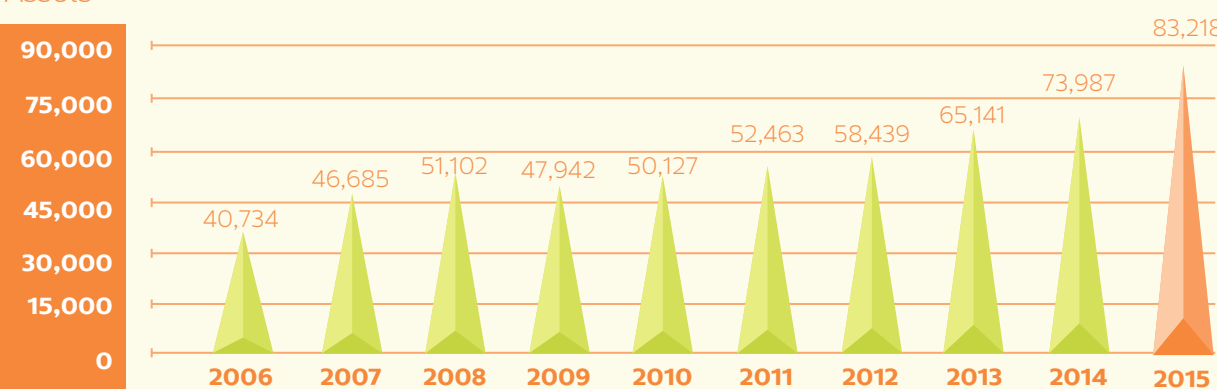
Profit Attributable to Owners of the Parent

Unit: Million Baht



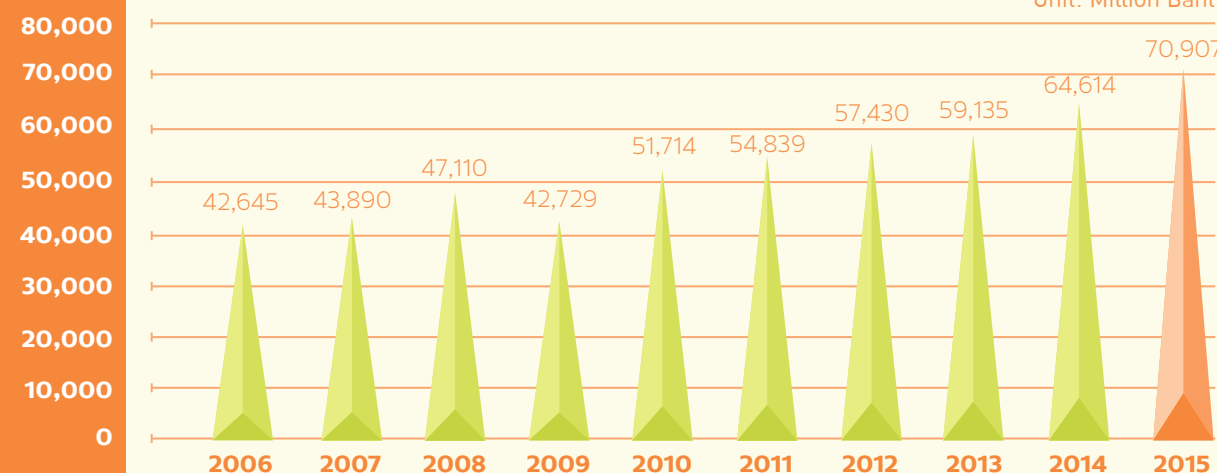
Total Assets

Unit: Million Baht



Revenue from Sales

Unit: Million Baht

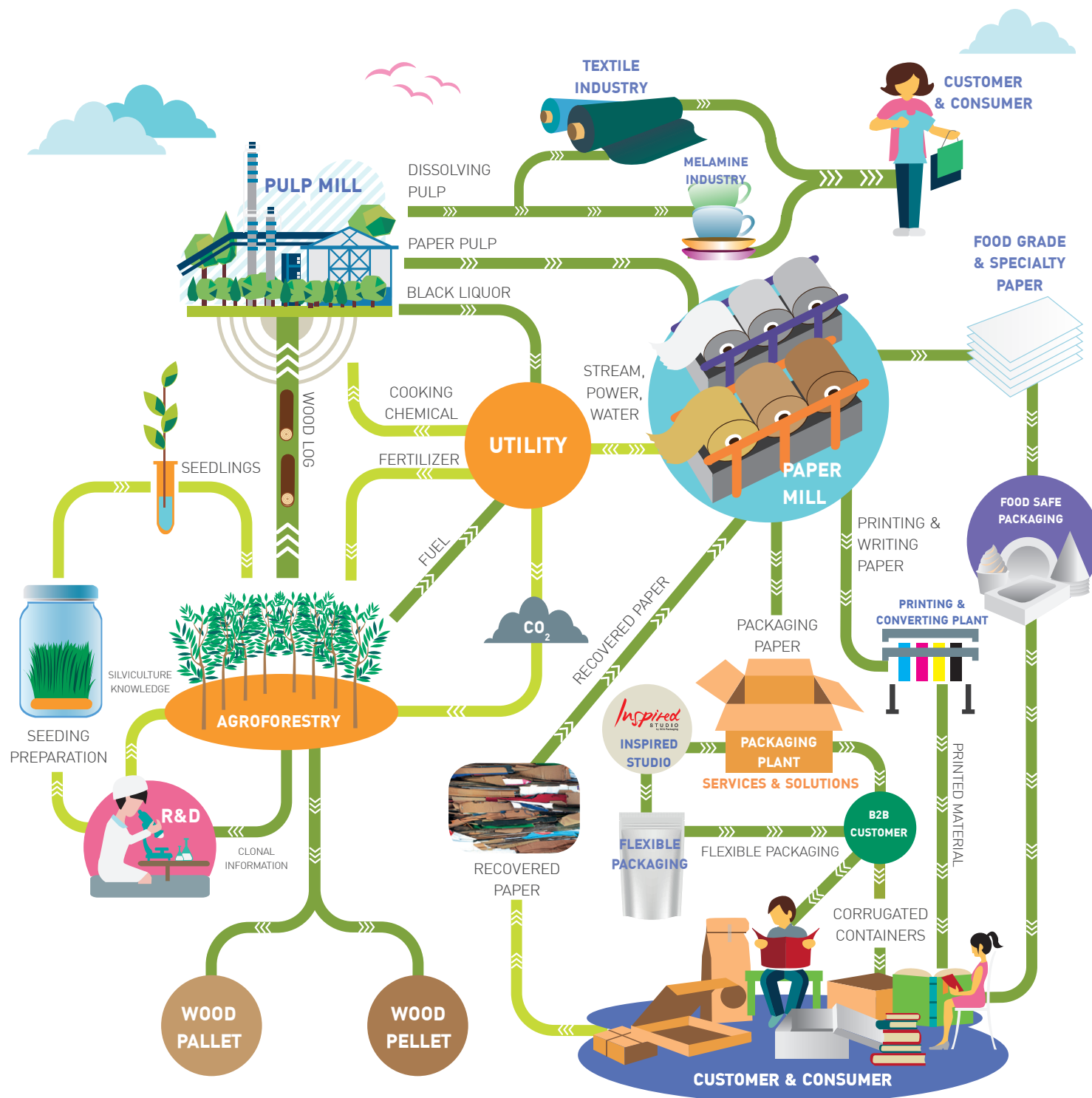


Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Unit: Million Baht

	2015	2014	2013	2012	2011
Statements of Income					
Revenue	71,507	65,041	59,588	57,969	55,149
Costs and expenses	(67,114)	(60,664)	(54,825)	(53,416)	(50,753)
Income tax expenses	(549)	(641)	(829)	(771)	(1,097)
Non-controlling interests	(619)	(542)	(516)	(450)	(176)
Profit attributable to owners of the parent	3,225	3,194	3,418	3,332	3,123
EBITDA					
10,499	9,422	9,189	8,554	8,518	
Statements of financial position					
Assets	83,218	73,987	65,141	58,439	52,463
Liabilities	34,892	29,150	26,105	22,656	19,936
Total equity attributable to owners of the parent	38,339	35,714	34,103	31,387	28,875
Total shareholders' equity	48,326	44,837	39,036	35,783	32,527
Share Information					
Total number of shares issued (Million Shares)	156.3	156.3	156.3	156.3	156.3
Book value per share (Baht)	245.3	228.5	218.2	200.8	184.7
Basic earnings per share (Baht)	20.6	20.4	21.9	21.3	20.0
Proposed dividends per share (Baht)	5.0	5.0	5.0	5.0	5.0
Financial Ratio					
Dividends payout ratio (%)	24.2	24.5	22.8	23.5	25.0
Profit on revenue from sales (%)	4.5	4.9	5.8	5.8	5.7
Return on assets (%)	4.1	4.6	5.5	6.0	6.1
Return on equity attributable to owners of the parent (%)	8.7	9.1	10.4	11.1	11.2



SCG Packaging Public Company Limited and its Subsidiaries

A partner who can deliver one-stop packaging services and solutions to customers, consumers and other stakeholders in a sustainable manner.

Packaging Business Chain

Packaging Business

- Thai Containers Group Co., Ltd.
- Thai Containers Rayong Co., Ltd.
- Thai Containers Khonkaen Co., Ltd.
- Dyna Packs Co., Ltd.
- Orient Containers Co., Ltd.
- Tawana Container Co., Ltd.
- D-In Pack Co., Ltd.
- TC Flexible Packaging Co., Ltd.
- Prepack Thailand Co., Ltd.
- TCG Rengo (S) Ltd. (Singapore)
- New Asia Industries Co., Ltd. (Vietnam)
- Alcamax Packaging (Vietnam) Co., Ltd. (Vietnam)
- AP Packaging (Hanoi) Co., Ltd. (Vietnam)
- Packamex (Vietnam) Co., Ltd. (Vietnam)
- PT Primacorr Mandiri (Indonesia)
- PT Indoris Printingdo (Indonesia)
- Tin Thanh Packing Joint Stock Company (Vietnam)

Packaging Paper Business

- Siam Kraft Industry Co., Ltd.
- Thai Cane Paper Public Company Limited
- United Pulp and Paper Co., Inc. (The Philippines)
- Vina Kraft Paper Co., Ltd. (Vietnam)

Fibrous Business Chain

Forestry Business

- The Siam Forestry Co., Ltd.

Pulp and Paper Business

- Phoenix Pulp & Paper Public Company Limited
- Phoenix Utilities Co., Ltd.
- Siam Cellulose Co., Ltd.
- Thai Paper Co., Ltd.
- Thai Union Paper Public Company Limited

Other Businesses

- SCGP Excellence Training Center Co., Ltd.
- SCG Paper Energy Co., Ltd.



SCG Packaging Value Chain

SCG Packaging focuses on all operations from upstream to downstream by selecting high quality materials, developing efficient production, delivering and serving customers' needs, which each process has created value and relevance.



Message from the Board of Directors

In 2015, both global and Thai economy recovered slowly, while oil and energy prices significantly declined. In the second half of 2015, ASEAN economy improved gradually due to infrastructure development and government stimulus packages of member countries. This reflected positive sign of the move towards ASEAN Economic Community (AEC).

In 2015, packaging and paper industries were greatly affected by the fluctuation of volume and price of raw materials, and intense competition from domestic competitors, as well as imported papers. To mitigate those risks, SCG Packaging continued to operate the business with discipline, focusing on operational efficiencies, financial stability, and proper working capital management. The company conducted its business responsibly through production cost management, efficiency improvement, inventory reduction, cost control and credit monitoring. These factors allowed SCG Packaging to achieve revenue from sales in 2015 of 70,907 million baht, a 10% increase from 2014, with profit for the year of 3,225 million baht, a 1% increase compared to 2014.

In 2016, it is expected that the economy of developed countries will recover at a slow pace, while uncertainty of economic conditions in China and other major business partners remain key risk factors which must be closely monitored. Domestic



“We urge you to trust that the company will continue to conduct its business effectively and transparently, while adhere to principles of good governance and sustainable development for maximum benefits of all stakeholders.”

drought and low agricultural product prices are also key factors that will influence paper consumption, raw material cost, and paper prices in the region. With such challenges, the company must conduct its business to attain sustainable growth by focusing on cost reduction and expense control. Key business policies are as follows:

Rebranding the business to match the company's direction

SCG Paper Public Company Limited has changed its name to SCG Packaging Public Company Limited to reflect its key strategy to focus on packaging applications, due to strong growth of packaging industry. To be competitive, SCG Packaging needs to get closer to consumers, aiming to become the Total Packaging Solutions Provider that can meet customers' varied demands. The company offers wide arrays of innovative products and services, with great focus on quality of materials, products and services development for all customers.

Expansion of business portfolio to become the total packaging solutions provider

In 2015, SCG Packaging expanded its flexible packaging business by acquiring 80% stake of Tin Thanh Packing Joint Stock Company (or “BATICO”), one of the top-five manufacturers of flexible packaging in Vietnam, with manufacturing capacity of more than 230 million square meters per year. In addition, the company increased its stake in Prepack Thailand Co., Ltd. to 72%. Moreover, SCG Packaging invested to expand its packaging paper production base at Vina Kraft Paper Co., Ltd. to meet the rapid demand growth of packaging paper in Vietnam. All these efforts show that SCG Packaging is committed to be the Total Packaging Solutions Provider and to best meet the requirement of customers to achieve a sustainable business.

Development of technology and innovative value-added products to be nearer to consumers

SCG Packaging is determined to be the Total Packaging Solutions Provider which consistently and sustainably creating innovations and values to consumers. The company has developed food packaging with self-ventilation property when heated in microwave (Self-Venting Packaging); a perfect solution for Ready-To-Go meal that does not require any cut, puncture or opening of the lid before heating. Furthermore, SCG Packaging has developed an innovative clear lid film with fog-proof and easily peeled off (Peel & Clear Lid Film) which allows consumers to clearly see the food content before purchase. Another innovation includes a food safe packaging under the brand named “Fest” with the highest hygiene and safety standard suitable for food products.

(Roongrote Rangsiyopash)
Chairman

(Tanawong Areeratchakul)
Vice-Chairman and President

Development of personnel, organization, society and environment

SCG Packaging has conducted its business with principles of sustainable development while always adheres to SCG's 4 Core Values. The company has enhanced personnel potential by instilling values of curiosity through the concept of Learning Transformation, systematically developing the personnel through Succession Planning, promoting leadership development for higher working standard, and instilling values of customer-centricity to employees in order to create good relationship between customers and the corporate staff. At the same time, the company is attentive to life quality of the surrounding communities by employing technologically advanced, environmentally-friendly machinery and production process as well as implementing systematic management mechanism to prevent potential impacts on health, environment and society to achieve sustainable coexistence between the company and neighboring communities.

The Board of Directors would like to express our gratitude to shareholders, business partners, customers, employees, all stakeholders, and financial institutes both domestic and foreign for supports, helps, and beneficial suggestions and always having confidence in SCG Packaging. We urge you to trust that the company will continue to conduct its business effectively and transparently, while adhere to principles of good governance and sustainable development for maximum benefits of all stakeholders.

Bangkok, January 27, 2016



2015 Operating Results

SCG Packaging Public Company Limited and its Subsidiaries

In 2015, revenue from sales was 70,907 million baht, increased 10% compared to 2014 due to an increase in sales volume. EBITDA was 10,499 million baht, increased 11% from last year, while profit from the year was 3,225 million baht, a 1% increase compared to 2014.

Packaging Business Chain: Sales volume increased 11% compared to 2014 due to rising demand for packaging and packaging paper, especially in ASEAN which saw a 4% increase in demand.

Fibrous Business Chain: Sales volume for printing and writing paper remained firm and steady compared to the previous year due to domestic demands.

Market and Competition

- In 2015, the demand for corrugated containers did not grow much due to the economic slowdown, resulting in less purchasing power. Meanwhile, the very same demand continued to grow well in ASEAN, especially in Vietnam. This resulted in a price competition which was challenging for every manufacturer, leading them to accelerate their improvement of internal efficiency in their organization to meet the customers' demands and sustainably maintain their business growth.
- The demand for packaging paper in Thailand was relatively steady compared to the previous year. However, in the ASEAN region, this very same demand was still growing

and many manufacturers in this region have also been consistently expanding their production capacities.

- The demands for domestic printing and writing paper, in 2015, declined by 8% as printing media, especially advertisement and magazine publications, was more likely to be replaced by digital media. However, the volume of printing and writing paper imports rose 23% in 2015, compared to the previous year, as a result of the impact from the USA's anti-dumping measures, causing manufacturers in China and Indonesia to be more aggressive in their sales strategy for the ASEAN market.

Business Growth and Development

- SCG Paper Public Company Limited has changed its company name to SCG Packaging Public Company Limited on June 2, 2015; this movement reflects a strategy that focuses on the packaging business due to constant expansion in this industry. Besides, it also enables the company to sustainably offer fully-integrated packaging-related products and services to customers; as seen from the development of high quality packaging products and services such as flexible packaging which is not made from paper. The change of name also corresponds to the objective to expand packaging business in the ASEAN region as well.

- Expanding flexible packaging business in ASEAN countries for foods and consumer products in which the demand is rising; the company has purchased 80% of shares from Tin Thanh Packing Joint Stock Company, one of the top 5 flexible packaging manufacturers in Vietnam, whose production capacity exceeds 230 million square meters a year and increased its stake in Prepack Thailand Co., Ltd. from 22% to 72%, in January 2015, emphasizing its strong position as a Total Packaging Solutions Provider.
- Expanding packaging paper production capacity in Vina Kraft Paper Co., Ltd., which resulted in an increment of paper production of approximately 243,000 tons a year; responding to the rapid-growing needs of paper packaging in Vietnam. It is expected to begin production in the second quarter of 2017.
- Investing in semi-chemical pulp and non-bleached pulp in Thailand to respond to the growing demand for packaging paper. The semi-chemical pulp has a capacity of 75,000 tons a year and 25,000 tons a year for non-bleached pulp. It is expected to begin production in the early 2016.

Human Resources Development

- The company has adopted a concept called Learning Transformation or 70 : 20 : 10 for personnel development, in which 70% are learned through actual experiences, 20% being learned from society and peers; via activities such as consultation or knowledge exchange among co-workers, and 10% from classroom learning. The purpose is to improve learning effectiveness and working standard, aligning with the business direction as well as to foster intellectual curiosity and drives the company's development as a learning organization.
- Subsidiaries of SCG Packaging in ASEAN have implemented a systematic personnel development called "Succession Planning" to increase the effectiveness and potential of their personnel. Apart from creating skilled and

responsible personnel for the community that company has invested in according to its CSR policies, it also boosts the spirit and morale of their personnel in foreign countries as well as fosters long-term bonds within the organization (Employee Engagement).

- The company encourages leadership development, heightening coaching skills so as to build leaders who understand others and themselves, who can be role models of positive attitudes and who can help creating trusting skill. It also promotes those in leading positions to use coaching skills in their conversation to establish goals and improve understanding within the team for sustainability and teamwork enhancement.
- Personnel development to improve customer service skills to enhance the understanding of company's strategy, foster client-centricity mindset, create good client-organization relationships, and innovate high and diverse quality products and services to sustainably meet the customers' demands.
- Conducting a safety minded project called "Good Friends Good Safety" for 2 consecutive years which aims to develop a safety-conscious mindset among personnel at every level. It promotes suggestive or admonishing gestures to co-workers working under risky circumstances, emphasizes safe driving, and consideration for others on the road through different media, so as to enhance safety culture at the workplace.

Developing Products, Services and Production Processes

o Product and Service Development

SCG Packaging develops products, services and all production processes based on environmentally-friendly concept. Answering all customers' needs through various innovative products and services; in which importance is placed from upstream to downstream, serving high quality materials and delivering values to customers.





- Developing innovative corrugated containers, Green Carton, up to G5 in which, uses less production resource, at least 125 grams per square meter while still retaining endurance, protection and stackable properties as the original. This product contains moisture resistant and biodegradable properties and is friendly to the environment as well. Since the launch of the Green Carton, SCG Packaging has been able to reduce 42,000 tons of paper usage and save 6.7 million of trees, decreasing production resources and cutting cost for customers.
- Developing Self-Venting Packaging for microwave heating, a perfect packaging for ready-to-go meals. With the EazySteam technology that imbues the package with ventilating mechanics, the product is heated by itself in which requires zero cut, sever, or removal of the lid before heating, reducing the risk of being contaminated by microorganisms and eliminating package burst while being heated due to air pressure, offering a more convenient alternative to consumers.
- Developing packaging lid film with non-foggy and easily removed properties (Peel & Clear Lid Film) which allows consumers to see the appearance of the food, making sure that it matches to what they want before purchasing. The lid film being easily peeled off gives consumers more convenience without worrying about spillage, and a better safety as it eliminates the chance of film debris contaminating the food.
- Developing a brand of food safe packaging entitled, “Fest” which meets hygiene and safety standards; suitable for containing food and is made from non-bleach and non-fluorescence virgin pulp. It is produced in a closed system — certified by GMP (Good Manufacturing Practice) based on the EU standard, from European Union as well as FDA from USA and EU

Regulation — and is therefore sealed from all external foreign matters. All personnel involved in the production must be trained on how to comply with the hygiene regulations. This product is made to promote better health and meet the consumers’ demands.

- Developing the industrial bag to meet customers’ demands for more diverse types of industrial bags. With the innovative bag-sealing technique called “Paste Valve”, it offers better stack ability and creates more space for delivery. The special paper layer helps absorb moisture and heat for longer shelf life. In addition, there is Micro Perforation Technique which enhances effectiveness of ventilation, keeping the products themselves clean and dust-free.
- Manufacturing plasterboard liner with the latest innovation from paper machine No. 17 (PM 17) brought by Siam Kraft Industry Co., Ltd. in which the liner production capacity is up to 100,000 tons a year. The quality of the paper becomes stronger and can be used to produce more diverse types of plasterboard liner. Furthermore, the process also reduces the energy usage and can be reused for maximum efficiency in an environmentally-friendly manner.
- Developing the first packaging paper that has been certified by Forest Stewardship Council (FSC) in Vietnam. With an appropriate ecology system management, importance is placed in every process such as sourcing, storing, volume controlling, selling and delivering process; adding values to all eco-conscious customers and prompting the quality of packaging paper production for global market competition.
- Developing Machine Glazed paper as a separator for offset printing plates and machine glazed interleaving. It is made from high quality virgin pulp and undergoes special production processes that control

acidity-alkalinity to create a perfect, non-scratching plate separator.

- Developing high quality organic fertilizer under the brand “Khudin” which contains a wide array of nutrients to plants and is soil-free, slowly soluble, and suitable for any species of plants. The fertilizer helps reduce cost for and add value to Thai farmers. Also, the plants are stronger and yield more products, solving Thai farmers’ income problems in a sustainable manner.

o Production Process Development

SCG Packaging operates the business through sustainable development principle in which it focuses on all operations from upstream to downstream; involving high technology yet eco-friendly into manufacturing process and providing management system on public health so as to create the satisfied coexistence between plants and neighboring communities.

- SCG Packaging has been adhering to the principles of sustainable development for its business practice, always considering risk factors and opportunities for improvement and to further sustainability in the organization as well as the development of business strategy. This is to ensure company’s constant growth even in an ever-changing world while still considering both benefits of and impact to all relevant parties, for the harmony of economy, society and environment.
- SCG Packaging carefully selects advanced and environmentally-friendly machinery and technology to reduce the quantity of resource usage, consume the energy effectively and reuse the energy generated from production waste. For example, using waste from recycled paper, tree barks, and sludge from wastewater treatment as fuel for energy generation.

Furthermore, there is also product development which makes use of waste from production process that also includes control and reduction of pollution from production process. To exemplify, developing production technology which requires less water and energy, using anaerobic wastewater treatment which yields biogas as by-products that can be used to generate energy, and bringing treated water back into the production process and distributing it to communities around the plant for agriculture and better quality of life.

o Social and Environmental Responsibility

SCG Packaging demonstrates its sustainable commitment to being a caring company to surrounding communities and all stakeholders. Aiming to be the answer to all parties, company places an importance as well as encourages an exchange of ideas and collaborative problem solving, focuses on developing the society in a sustainable manner through numerous social activities related to Corporate Social Responsibilities.

- SCG Packaging is determined to improve the standard of Thai education, developing knowledge and expertise of personnel both within and beyond the organization. It has awarded the research grant “SCG Chair Professor” to researchers from the National Science and Technology Development Agency (NSTDA) who made excellent contributions to sustainably improving and developing academic knowledge for the society.
- SCG Packaging managed a project entitled “SCG Healthy Living”; supplying essential medical equipment to enhance the lives and hygiene of people in 10 subdistricts of Khon Kaen Province, worth approximately 500,000 baht.
- SCG Packaging managed a project called “SCG Packaging Happy Community” that supports and adds values to products from communities around the plant such as Idea Honey products from local beekeepers, which receives support from the Integrative Agricultural Technology Learning and Teaching Center; organic rice product from Ban Pong community, Ratchaburi Province and Nam Phong community, Khon Kaen Province; hand-woven cloth product from Nakhon Luang community, Phra Nakhon Si Ayutthaya Province. All of which are being value-added through packaging design, perfect for New Year gift.
- SCG Packaging conducted another CSR project; derived from “We are Greeners” Project, named “Green Mart”, encourages communities around plant to run



business for society, allowing other green enterprises to have more space for advertising products from local communities and promoting their sales volume.

- SCG Packaging managed “One Manager One Community” Project that opens for opinions and suggestions from local communities to create plans that meet the community’s needs as well as a project called “Supplier Development for Sustainability”. All projects focus on enhancing knowledge and skills to business partners and all relevant parties in the entire supply chain to achieve sustainability.
- Siam Kraft Industry Co., Ltd. together with Robert Dyckerhoff Foundation have created Dyckerhoff Dormitory by donating 35,000 blocks of Pro Block building blocks for construction to hill tribe students in Mae Sariang District, Mae Hong Son Province, so as to enhance their lives in a sustainable manner.
- Thai Paper Co., Ltd., the Publishers and Booksellers Association of Thailand (PUBAT) and representative from 4 partners supported a project called “1 Read, Millions Awakening”. This project is created to promote a society with reading culture and brighten the future of a younger generation in which they donated 2,526,335 baht to 116 communities, 66 provinces.
- Idea Paper has promoted an eco-conscious project called “Love Earth, Love Recycle with Idea Paper” in which it encouraged students to appreciate the use of nature. In 2015, Idea Paper has received 2,000 kilograms of recycled paper, which is equivalent to 100 trees as well as donated the amount of 200,000 baht to students who are in need of education extension.
- SCG Packaging has launched an activity to promote and raise awareness of environment conservation such as “SCG Packaging Green Academy”, a youth camp to promote environmental conservation, which is currently in the 8th consecutive year. The

camp aims to give the youths residing in the vicinity of plants the opportunities to learn about the environment, get in good health, and knowledge on how to choose safe and environmentally-friendly food and packaging.

- SCG Packaging has developed several products, certified by SCG eco value standards in 2015, to guarantee that consumers will receive quality and environmentally-friendly products, which are as follows:
 - Packaging product, “Green Carton”, G5 series, made from paper that uses less resource to produce at least 125 grams per square meter while still retaining its strength.
 - Environmentally-friendly corrugated paper which consumes 12% less energy.
 - Packaging paper liner, TTF, made from 3-layered kraft paper that is environmentally-friendly and consists of 100% recycled paper.
 - Idea Max paper that consumes 10% less of resources; with innovative Ultra Performance Formula, the resulting paper becomes more opaque and is fully effective for 2-sided usage.

Major Achievements and Awards in 2015

- Thai Containers Group Co., Ltd. received awards from ThaiStar Packaging Awards 2015, under Packaging for Transportation category, namely “The Grand Heritage”, “Super Cable Reel Pallet Set”, “Super Multi-Material Pallet”, “Cushion-pack for Automotive Metal Bar” and “Cushion-pack for Shredding Machine (Meiko)” while Siam Kraft Industry Co., Ltd. received an award in Packaging for Distribution category, entitled “Happy Blossom - Moon Cake” from the Department of Industry Promotion, the Ministry of Industry.
- Thai Containers Group Co., Ltd., Navanakorn plant and Siam Kraft Industry Co., Ltd., Wangsala plant were awarded “Award for Excellence Consistent TPM Commitment”, while Thai Containers Group Co., Ltd., Ratchaburi plant, Songkhla plant and Pathumthani plant were awarded “Special Award for TPM Achievement” from the Japan Institute of Plant Maintenance (JIPM), Japan.
- Thai Containers Group Co., Ltd., Songkhla plant was awarded a Silver Award while Siam Kraft Industry Co., Ltd., Wangsala plant was awarded a Bronze Award in the Karakuri Kaizen category for the quality contest, “Thailand Kaizen Award 2015” from Technology Promotion Association (Thailand - Japan).

- Thai Containers Group Co., Ltd., Navanakorn plant, Saraburi plant, Samutprakarn plant, Ratchaburi plant, Pathumthani plant, Songkhla plant, Prachinburi plant, Siam Kraft Industry Co., Ltd., Wangsala plant, Ban Pong plant and Phoenix Pulp & Paper Public Company Limited were awarded for an Outstanding Workplace Award for Workplace Safety, Healthy and Environment 2015. Thai Containers Group Co., Ltd., Navanakorn plant, Ratchaburi plant, Pathumthani plant and Phoenix Pulp & Paper Public Company Limited were awarded for an Outstanding Organisation Award – Labour Relations and Welfare 2015 from the Department of Labour Protection and Welfare, the Ministry of Labour.
- Thai Containers Group Co., Ltd., Pathumthani plant and Siam Kraft Industry Co., Ltd., Ban Pong plant received CSR-DIW Awards 2015 while Siam Kraft Industry Co., Ltd., Wangsala plant and Phoenix Pulp & Paper Public Company Limited received CSR-DIW Continuous Awards from the Department of Industrial Works, the Ministry of Industry.
- Thai Containers Group Co., Ltd., Navanakorn plant, Saraburi plant, Kamphaeng Phet plant, Ratchaburi plant, Pathumthani plant, Songkhla plant, Prachinburi plant, Thai Containers Rayong Co., Ltd., Thai Containers Khonkaen Co., Ltd., Dyna Packs Co., Ltd., Tawana Container Co., Ltd., and Siam Kraft Industry Co., Ltd., Ban Pong plant were awarded for Workplace Safety in honor of HRH Princess Maha Chakri Sirindhorn from the Department of Labour Protection and Welfare, the Ministry of Labour.
- Thai Containers Group Co., Ltd. was awarded an AsiaStar Awards 2014 for its work, “Case Unit Comp Partition” from the Asian Packaging Federation.
- Thai Containers Group Co., Ltd., Songkhla plant won an award in the STSP Innovation Awards 2015, under the Development of Technological Application category, namely “Development of Hard-Coating Substance for Corrugated Board Liner Using Skim Latex” from Thailand Science Park, Prince of Songkhla University.
- Thai Containers Group Co., Ltd., Kamphaeng Phet plant was certified for quality management system (ISO 9001) from Management System Certification Institute (Thailand) (MASCI).
- Thai Containers Group Co., Ltd., Songkhla plant and Thai Containers Khonkaen Co., Ltd. were awarded Zero Accident Awards 2015 from the Department of Labour Protection and Welfare, the Ministry of Labour.
- Thai Containers Group Co., Ltd., Ratchaburi plant was certified for organizational carbon footprint 2015 by

the Ministry of Natural Resources and Environment.

- Thai Containers Group Co., Ltd., Navanakorn plant, Kamphaeng Phet plant and Pathumthani plant were certified for their standard of prevention and solution of drug abuse at the workplace by the Department of Labour Protection and Welfare, the Ministry of Labour.
- Thai Containers Group Co., Ltd., Kamphaeng Phet plant received Good Governance, Environment and Safety Award 2015 from the Ministry of Labour.
- Thai Containers Group Co., Ltd., Prachinburi plant and Thai Containers Rayong Co., Ltd. were awarded the Development for Green Factory from the Department of Industrial Works, the Ministry of Industry.
- Siam Kraft Industry Co., Ltd. won 3 awards from WorldStar Awards 2016, under the Luxury category, namely “The Prosperous Emperor”; the orange package for Chinese New Year, “The Queen of Moonlight” and “Happy Blossom - Moon Cake”; moon cake packages, from the World Packaging Organisation.
- Siam Kraft Industry Co., Ltd., Wangsala plant was awarded a Golden Award in Support Service QCC Prize category for the work “Prolong the Lifespan of Deckle End Seal or Suction Pick Up Roll at PM 6”, and Phoenix Pulp & Paper Public Company Limited was awarded a Silver Award in New Born category for its work, “Reducing Blockage in Bark Shredding Machine” in Thailand Quality Prize 2015 from Technology Promotion Association (Thailand - Japan).
- Siam Kraft Industry Co., Ltd. was awarded with an “Excellence River Conservation and Restoration 2015” from the Ministry of Industry.
- Siam Kraft Industry Co., Ltd. and Thai Union Paper Public Company Limited were awarded “Thailand Green Label Award 2015” for accomplishments as an enterprise that is environmentally-friendly and for constantly receiving green label certifications from Thailand Environment Institute Foundation.
- United Pulp and Paper Co., Inc. (the Philippines) received “Hall of Fame for Outstanding Sustainable Development Practices 2015” award from Federation of Philippine Industries, the Philippines.



SCG Packaging Public Company Limited and its Subsidiaries

(As of January 4, 2016)

The Board of Directors

SCG Packaging Public Company Limited

- Mr. Roongrote Rangsiyopash
Chairman
- Mr. Tanawong Areeratchakul
Vice-Chairman and President
- Mr. Chaovalit Ekabut
Director
- Mr. Somchai Wangwattanapanich
Director
- Mr. Aree Chavalitcheewingul
Director
- Mr. Nithi Patarachoke
Director
- Mrs. Pornpen Namwong
Secretary to the Board

Executive Officers

SCG Packaging Public Company Limited and its Subsidiaries

- Mr. Tanawong Areeratchakul
Vice-Chairman and President
SCG Packaging Public Company Limited

Packaging Business Chain

Packaging Business

- Mr. Poramate Larnroongroj
Managing Director
Thai Containers Group Co., Ltd.
Thai Containers Rayong Co., Ltd.
Thai Containers Khonkaen Co., Ltd.
Dyna Packs Co., Ltd.
Orient Containers Co., Ltd.
- Mr. Sitthichai Wangteeraprasert
Managing Director
Tawana Container Co., Ltd.
- Mr. Leaudej Vimontpackt
Managing Director
D-In Pack Co., Ltd.

- Mr. Karan Tejasen
Managing Director
TC Flexible Packaging Co., Ltd.

- Mr. Paradorn Chulajata
Managing Director
Prepack Thailand Co., Ltd.

- Mr. Phua Thye Hin
Managing Director
TCG Rengo (S) Ltd. (Singapore)

- Mr. Amnuay Pattaramongkolkul
General Director
New Asia Industries Co., Ltd. (Vietnam)
Alcamax Packaging (Vietnam) Co., Ltd. (Vietnam)
AP Packaging (Hanoi) Co., Ltd. (Vietnam)
Packamex (Vietnam) Co., Ltd. (Vietnam)

- Mr. Paisan Thanasitsomboon
President Director
PT Primacorr Mandiri (Indonesia)
PT Indoris Printingdo (Indonesia)

- Mr. Jakjit Klomsing
General Director
Tin Thanh Packing Joint Stock Company (Vietnam)

Packaging Paper Business

- Mr. Wichan Jitpukdee
Managing Director
Siam Kraft Industry Co., Ltd.
- Mr. Amnuay Ponpued
Managing Director
Thai Cane Paper Public Company Limited
- Mr. Wichan Charoenkitsupat
President and CEO
United Pulp and Paper Co., Inc. (The Philippines)
- Mr. Sangchai Wiriyaumpaiwong
General Director
Vina Kraft Paper Co., Ltd. (Vietnam)

Fibrous Business Chain

Forestry Business

- Mr. Mahasan Thieravarut
Managing Director
The Siam Forestry Co., Ltd.

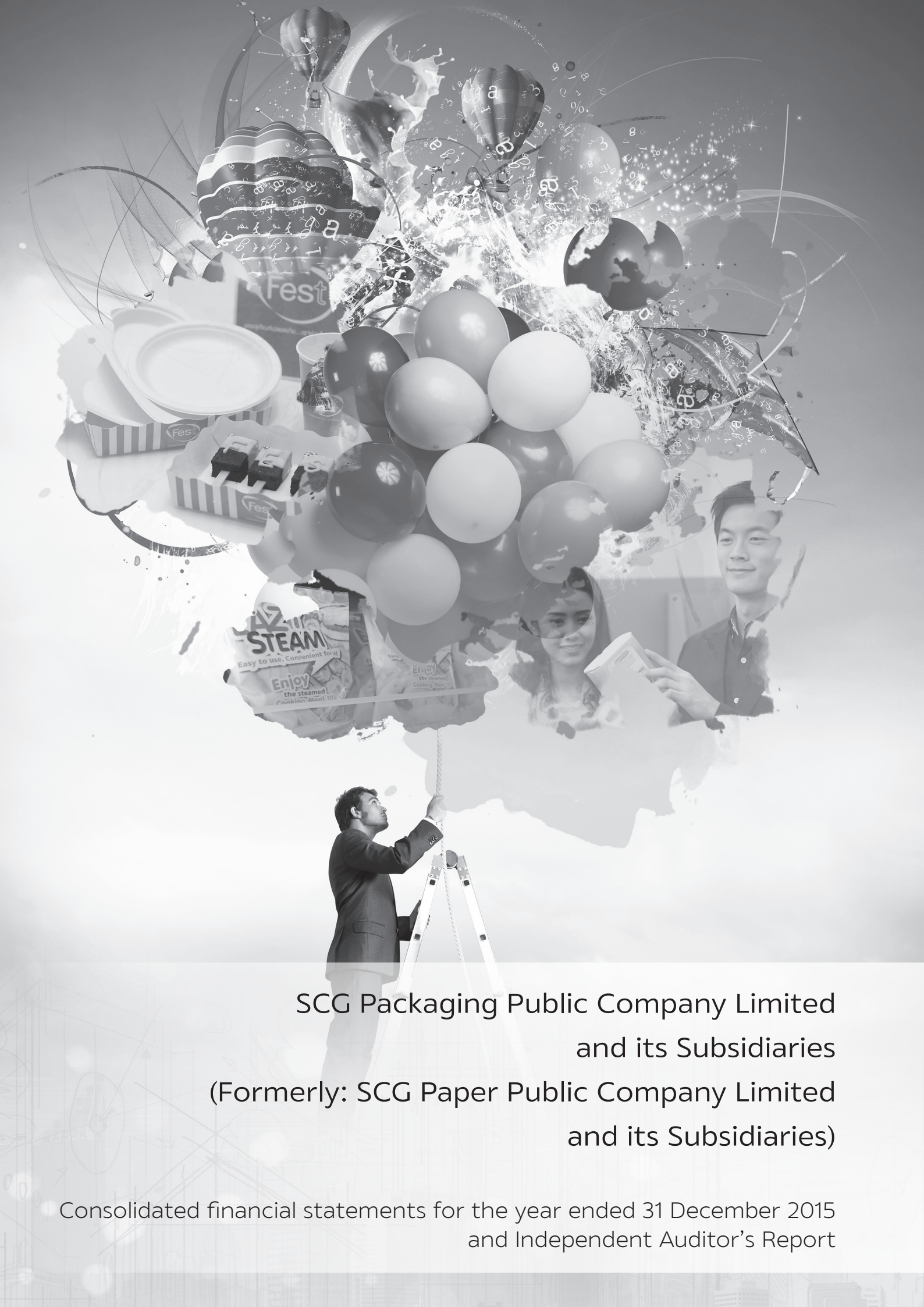
Pulp and Paper Business

- Mr. Surasak Amawat
Managing Director
Phoenix Pulp & Paper Public Company Limited
Phoenix Utilities Co., Ltd.
Siam Cellulose Co., Ltd.
Thai Paper Co., Ltd.
Thai Union Paper Public Company Limited

Other Businesses

- Mr. Opart Rakkulchon
Managing Director
SCGP Excellence Training Center Co., Ltd.
- Mr. Panya Sopasriphan
Managing Director
SCG Paper Energy Co., Ltd.





SCG Packaging Public Company Limited
and its Subsidiaries
(Formerly: SCG Paper Public Company Limited
and its Subsidiaries)

Consolidated financial statements for the year ended 31 December 2015
and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

I have audited the accompanying consolidated financial statements of SCG Packaging Public Company Limited (formerly: SCG Paper Public Company Limited) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Thanyalux Keadkeaw)

Certified Public Accountant

Registration No. 8179

KPMG Phoomchai Audit Ltd.

Bangkok

24 February 2016

Consolidated statement of financial position

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

As at 31 December 2015

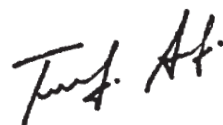
Assets	Note	2015	2014
		<i>(in thousand Baht)</i>	
Current assets			
Cash and cash equivalents		1,774,728	2,237,199
Trade and other receivables	5, 6	10,792,740	9,616,444
Short-term loans to related party	5	5,000	-
Inventories	7	10,616,906	9,805,752
Other current assets	5	1,105,504	1,309,267
Total current assets		24,294,878	22,968,662
Non-current assets			
Investments in associates	8	892,982	1,301,481
Other long-term investments		17,416	17,274
Investment properties	10	56,021	54,390
Property, plant and equipment	11	54,104,881	47,506,195
Goodwill	12	1,975,815	977,387
Intangible assets	13	237,479	268,850
Deferred tax assets	14	356,785	384,085
Others non-current assets	5	1,282,164	508,273
Total non-current assets		58,923,543	51,017,935
Total assets		83,218,421	73,986,597

For and on behalf of the Board of Directors



(Roongrote Rangsiyopash)

Chairman



(Tanawong Areeratchakul)

Vice-Chairman and President

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

Consolidated statement of financial position

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

As at 31 December 2015

Liabilities and shareholders' equity	Note	2015	2014
		<i>(in thousand Baht)</i>	
Current liabilities			
Bank overdrafts and short-term loans from financial institutions	15	6,800,022	927,898
Trade and other payables	5, 16	7,001,500	6,017,001
Current portion of long-term loans from financial institutions	17	1,972,900	2,007,993
Current portion of finance lease liabilities	18	52,879	13,516
Short-term loans from related parties	5	12,804,170	12,247,617
Income tax payable		197,246	299,085
Short-term provisions		71,290	54,581
Other current liabilities		256,765	268,784
Total current liabilities		29,156,772	21,836,475
Non-current liabilities			
Long-term loans from financial institutions	17	3,904,657	5,850,000
Finance lease liabilities	18	81,485	49,818
Deferred tax liabilities	14	271,399	184,013
Employee benefit obligations	19	1,369,187	1,222,265
Other non-current liabilities		108,548	7,059
Total non-current liabilities		5,735,276	7,313,155
Total liabilities		34,892,048	29,149,630

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

Consolidated statement of financial position

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

As at 31 December 2015

Liabilities and shareholders' equity	Note	2015	2014
		(in thousand Baht)	
Shareholders' equity			
Share capital	20		
<i>Authorised share capital</i>			
- Ordinary share		1,563,000	1,563,000
<i>Issued and paid-up share capital</i>			
- Ordinary share		1,563,000	1,563,000
Share premium	21	1,935,000	1,935,000
Retained earnings			
<i>Appropriated</i>			
Legal reserve	21	156,300	156,300
General reserve		3,000	3,000
<i>Unappropriated</i>		36,003,206	33,647,122
Other components of shareholders' equity		(1,321,840)	(1,590,232)
Total equity attributable to owners of the parent		38,338,666	35,714,190
Non-controlling interests	9	9,987,707	9,122,777
Total shareholders' equity		48,326,373	44,836,967
Total liabilities and shareholders' equity		83,218,421	73,986,597

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

Consolidated income statement

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Note	2015	2014
		(in thousand Baht)	
Revenue from sales	5	70,907,445	64,613,789
Cost of sales	5	58,236,908	52,767,684
Gross profit		12,670,537	11,846,105
Gain (loss) on exchange rate		(129,278)	3,890
Other income	5	691,031	493,206
Profit before expenses		13,232,290	12,343,201
Selling expenses	5, 22	3,618,395	3,223,783
Administrative expenses	5, 23	4,104,495	3,851,168
Total expenses		7,722,890	7,074,951
Profit from operations		5,509,400	5,268,250
Share of loss of associates	8	(91,439)	(66,094)
Profit before finance costs and income tax expense		5,417,961	5,202,156
Finance costs	5	1,024,763	825,249
Profit before income tax expense		4,393,198	4,376,907
Income tax expense	25	549,012	640,754
Profit for the year		3,844,186	3,736,153
Profit attributable to:			
Owners of the parent		3,224,818	3,194,000
Non-controlling interests	9	619,368	542,153
		3,844,186	3,736,153
Basic earnings per share (in Baht)			
Attributable to owners of the parent	27	20.63	20.44

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

Consolidated statement of comprehensive income

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Note	2015	2014
		<i>(in thousand Baht)</i>	
Profit for the year		3,844,186	3,736,153
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Defined benefit plan actuarial losses	19	(139,007)	(923)
Share of other comprehensive income of associates		(295)	152
Income tax on other comprehensive income			
relating to items that will not be reclassified	25	26,118	13,589
<i>Items that will be reclassified to profit or loss when specific conditions are met</i>			
Foreign currency translation differences		381,113	(17,168)
Share of other comprehensive income of associates		(16,383)	(9,223)
Other comprehensive income for the year, net of income tax		251,546	(13,573)
Total comprehensive income for the year		4,095,732	3,722,580
Total comprehensive income attributable to			
Owners of the parent		3,422,036	3,183,490
Non-controlling interests		673,696	539,090
		4,095,732	3,722,580

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

Consolidated statement of changes in shareholders' equity

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Retained earnings			Other components of shareholders' equity						
	Appropriated			Unappropriated		Changes in				
	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Currency translation differences	ownership interests in subsidiaries that do not result in a loss of control	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	
						(in thousand Baht)				
Balance at 1 January 2014	1,563,000	1,935,000	156,300	3,000	31,221,940	(775,831)	-	34,103,409	4,932,957	39,036,366
Transactions with owners, recorded directly in shareholders' equity										
Contributions by and distributions to owners of the parent										
Dividends	-	-	-	-	(781,500)	-	-	(781,500)	(178,163)	(959,663)
Total contributions by and distributions to owners of the parent	-	-	-	-	(781,500)	-	-	(781,500)	(178,163)	(959,663)
Changes in ownership interests in subsidiaries										
Acquisition and increase in capital of non-controlling interests without a change in control	-	-	-	-	-	-	(791,209)	(791,209)	3,811,302	3,020,093
Acquisition and increase in capital of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	17,591	17,591
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(791,209)	(791,209)	3,828,893	3,037,684
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	(781,500)	-	(791,209)	(1,572,709)	3,650,730	2,078,021
Comprehensive income for the year										
Profit or loss	-	-	-	-	3,194,000	-	-	3,194,000	542,153	3,736,153
Other comprehensive income	-	-	-	-	12,682	(22,881)	(311)	(10,510)	(3,063)	(13,573)
Total comprehensive income for the year	-	-	-	-	3,206,682	(22,881)	(311)	3,183,490	539,090	3,722,580
Balance at 31 December 2014	1,563,000	1,935,000	156,300	3,000	33,647,122	(798,712)	(791,520)	35,714,190	9,122,777	44,836,967

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

Consolidated statement of changes in shareholders' equity

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Note	Retained earnings				Other components of shareholders' equity					Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	
		Appropriated		Unappropriated	Currency translation differences	Changes in ownership interests in subsidiaries that do not result in a loss of control		Total equity attributable to owners of the parent						
		Issued and paid-up share capital	Share premium			Legal reserve	General reserve							
(in thousand Baht)														
Balance at 1 January 2015		1,563,000	1,935,000	156,300	3,000	33,647,122	(798,712)	(791,520)	35,714,190	9,122,777	44,836,967			
Transactions with owners, recorded directly in shareholders' equity														
Contributions by and distributions to owners of the parent														
Dividends	28	-	-	-	-	(781,500)	-	-	(781,500)	(216,907)	(998,407)			
Total contributions by and distributions to owners of the parent		-	-	-	-	(781,500)	-	-	(781,500)	(216,907)	(998,407)			
Changes in ownership interests in subsidiaries														
Acquisition and increase in capital of non-controlling interests without a change in control		-	-	-	-	-	-	(16,060)	(16,060)	374,347	358,287			
Acquisition and increase in capital of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	33,794	33,794			
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	(16,060)	(16,060)	408,141	392,081			
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(781,500)	-	(16,060)	(797,560)	191,234	(606,326)			
Comprehensive income for the year														
Profit or loss		-	-	-	-	3,224,818	-	-	3,224,818	619,368	3,844,186			
Other comprehensive income		-	-	-	-	(87,234)	284,452	-	197,218	54,328	251,546			
Total comprehensive income for the year		-	-	-	-	3,137,584	284,452	-	3,422,036	673,696	4,095,732			
Balance at 31 December 2015		1,563,000	1,935,000	156,300	3,000	36,003,206	(514,260)	(807,580)	38,338,666	9,987,707	48,326,373			

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

Consolidated statement of cash flows

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Note	2015	2014
<i>(in thousand Baht)</i>			
Cash flows from operating activities			
Profit for the year		3,844,186	3,736,153
Adjustments for			
Depreciation and amortisation		4,842,432	4,149,272
Interest income		(46,027)	(43,995)
Interest expense		952,225	899,651
Unrealised losses (gain) on foreign currency exchange		(2,086)	8,800
Recovery doubtful debts expenses		(3,018)	(4,088)
Allowance for decline in value of inventories (reversal)		8,495	(2,463)
Impairment losses on property, plant and equipment		35,014	36,392
Gains on sales of property, plant and equipment		(1,617)	(24,139)
Loss on sales of intangible assets		731	956
Gain on sales of investments		(248,273)	-
Gain on bargain purchase	4	-	(20,711)
Gain on fair value adjustment of investments	4	(157,901)	-
Employee benefit expense		92,862	132,778
Share of loss of associates	8	91,439	66,094
Income tax expense		549,012	640,754
Profit provided by operating activities before changes in operating assets and liabilities		9,957,474	9,575,454
Decrease (increase) in operating assets			
Trade and other receivables		(833,645)	23,954
Inventories		(666,909)	(1,084,498)
Other current assets and other non-current assets		(182,940)	(56,020)
Net increase in operating assets		(1,683,494)	(1,116,564)

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

Consolidated statement of cash flows

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Note	2015	2014
		(in thousand Baht)	
<i>Increase (decrease) in operating liabilities</i>			
Trade and other payables		342,785	509,723
Employee benefit obligations		(63,149)	(122,002)
Other current liabilities and other non-current liabilities		(46,801)	79,816
Net increase in operating liabilities		232,835	467,537
Cash generated from the operations		8,506,815	8,926,427
Income tax paid		(684,415)	(950,572)
Net cash provided by operating activities		7,822,400	7,975,855
<i>Cash flows from investing activities</i>			
Interest received		46,921	48,391
Dividends received		8,942	5,218
Investments in associates		-	(288,765)
Net cash outflow on acquisition of subsidiaries	4	(1,465,629)	(255,146)
Proceed from sales of investments		245,680	-
Income tax paid from business restructuring		-	(64,237)
Net increase in investments in subsidiaries/associates		(1,164,086)	(554,539)
Purchase of property, plant and equipment		(9,657,012)	(11,508,869)
Purchase of intangible assets		(38,488)	(67,724)
Proceeds from sales of property, plant and equipment and intangible assets		86,217	103,490
Currency translation differences		166,037	12,879
Net cash used in investing activities		(10,607,332)	(12,014,763)

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

Consolidated statement of cash flows

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	2015	2014
	(in thousand Baht)	
<i>Cash flows from financing activities</i>		
Interest paid	(1,002,896)	(894,361)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	5,523,362	(124,313)
Increase (decrease) in short-term loans from related parties	556,553	(1,595,355)
Proceeds from long-term loans from financial institutions	27,557	4,500,000
Payments of long-term loans from financial institutions	(2,096,956)	(57,625)
Payments of finance lease	(45,055)	(96,775)
Net increase in borrowings	2,962,565	1,731,571
Dividends paid		
Dividends paid to owners of the parent	(781,500)	(781,500)
Dividends paid to non-controlling interests	(216,907)	(178,163)
Total dividends paid	(998,407)	(959,663)
Acquisition and increase in capital of non-controlling interests	358,303	3,149,247
Net cash provided by financing activities	2,322,461	3,921,155
Net decrease in cash and cash equivalents	(462,471)	(117,753)
Cash and cash equivalents at beginning of the year	2,237,199	2,354,952
Cash and cash equivalents at end of the year	1,774,728	2,237,199

Supplementary information for cash flows

Non-cash transactions

Outstanding payable from purchase of property, plant and equipment	798,755	402,497
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The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

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SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

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Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorised for issue by the management on 24 February 2016.

1 General information

SCG Packaging Public Company Limited (formerly: SCG Paper Public Company Limited), the “Company”, is a company incorporated in Thailand.

The head office of the Company is located at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It was incorporated in Thailand.

The Company and its subsidiaries, the “Group” are mainly engaged in the manufacturing of pulp, paper and packaging.

Details of subsidiaries (only those with significant operations) are as follows:

	2015	2014
	Direct / Indirect Holding (%)	
Registered in Thailand		
Siam Kraft Industry Co., Ltd.	100	100
SCGP Excellence Training Center Co., Ltd.	100	100
SCG Paper Energy Co., Ltd.	100	100
Thai Cane Paper Public Company Limited	94.54	93
Phoenix Pulp & Paper Public Company Limited	76.48	76.48
Phoenix Utilities Co., Ltd.	76.48	76.48
Siam Cellulose Co., Ltd.	76.48	76.48
Thai Paper Co., Ltd.	76.48	76.48
The Siam Forestry Co., Ltd.	76.48	76.48
Thai Union Paper Public Company Limited	76.45	76.45
Thai Containers Group Co., Ltd.	70	70

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	2015	2014
	Direct / Indirect Holding (%)	
Thai Containers Khonkaen Co., Ltd.	70	70
Thai Containers Rayong Co., Ltd.	70	70
TC Flexible Packaging Co., Ltd.	52.50	70
Dyna Packs Co., Ltd.	52.50	52.50
Orient Containers Co., Ltd.	52.50	52.50
D-In Pack Co., Ltd.	52.50	52.50
Tawana Container Co., Ltd.	50.40	50.40
Prepack Thailand Co., Ltd.	37.80	-
Thai British Security Printing Public Company Limited	-	49.79
Thai British DPost Co., Ltd.	-	25.39

Registered in Philippines

United Pulp and Paper Co., Inc.	99.70	99.70
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Registered in Vietnam

Vina Kraft Paper Co., Ltd.	70	70
New Asia Industries Co., Ltd.	70	70
Alcamax Packaging (Vietnam) Co., Ltd.	70	70
AP Packaging (Hanoi) Co., Ltd.	70	70
Packamex (Vietnam) Co., Ltd.	70	70
Tin Thanh Packing Joint Stock Company	42	-

Registered in Singapore

TCG Rengo (S) Limited	70	70
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Registered in Indonesia

PT Primacorr Mandiri	63	63
PT Indoris Printingdo	63	63

Most of the above subsidiaries were established in Thailand unless otherwise stated.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

In January 2015, TC Flexible Packaging Co., Ltd. has increased in the authorised share capital amounting to Baht 798 million from Baht 340 million to Baht 1,138 million. As a result, the Group has decreased in the direct holding in TC Flexible Packaging Co., Ltd. from 100% to 75%.

During 2015, the Group acquired the ordinary shares of Prepack Thailand Co., Ltd. which is incorporated in Thailand and Tin Thanh Packing Joint Stock Company which is incorporated in Vietnam. These companies are included in the Group’s consolidated financial statements in 2015. In addition to this, in the fourth quarter of 2015, the Group sold partial interest of Thai British Security Printing Public Company Limited, reducing its ownership interest thereby ceasing to have control over the subsidiary since the date of sale, as discussed in note 4.

During 2015, the Group has purchased 5,500,000 ordinary shares of Thai Cane Paper Public Company Limited from minority shareholders at 20.10 Baht per share. As a result, percentage of shareholding increased from 93.00% to 94.54%

In November 2015, the Group has paid-up initial share capital of SCG Paper Energy Co., Ltd. for 1,490,000 shares at 47 Baht per share, equivalent to the total of Baht 70 million.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs) and guidelines promulgated by the Federation of Accounting Professions (“FAP”).

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group. However, TFRS 13 “Fair Value Measurements” establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Group has included additional disclosures in notes 10 and 30.

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In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial statements beginning on or after 1 January 2016 and have not been adopted in the preparation of these consolidated financial statements. Those new and revised TFRSs are disclosed in note 35.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material item in the consolidated statements of financial position; the present value of the defined benefit obligation.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with TFRSs 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4	Acquisition of business and change the status of subsidiaries
Note 6, 7, 8, 10, 11, 12, 13	Measurement of the recoverable amounts of each asset and cash-generating units containing goodwill
Note 14 and 25	Utilisation of tax losses, current and deferred tax

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Note 19	Discount rate, salary increase rate, employee turnover rate and mortality rate
Note 31	Commitments and contingent liabilities

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.

The Group has an established 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 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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 that the entity can access at the measurement date.
- 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 are unobservable inputs for the asset or liability.

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.

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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 10 - Investment properties; and
- Note 30 - Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Group and the Group’s interest in associates.

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.

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.

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

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recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. 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.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss in profit or loss.

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.

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.

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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.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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.

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

Foreign entities

The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the end of reporting period.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates for acquisition occurred before the date 1 January 2013, and stated at exchange rates ruling at the end of reporting period for acquisition beginning on or after 1 January 2013.

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The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions and using the weighted average method.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in other components of equity until disposal of the investments, except to extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in other components of equity until disposal of the investment.

(c) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, 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 receivables*

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

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

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Bad debts recovered are recognised in other income in profit or loss.

(e) *Inventories*

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

Cost is calculated using the following formula:

Finished goods	-	at standard costs which approximate actual production costs
Merchandise	-	at average cost
Goods in process	-	at standard cost which includes raw materials, direct labour and manufacturing overhead costs
Raw materials, spare parts, supplies and others	-	at average costs

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in process, cost includes an appropriate share of overheads based on normal operating capacity.

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.

(f) *Investments*

Investments in associates

Investments in associates are accounted for using the equity method.

Investments in other debt and equity securities

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

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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.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

(g) Investment properties

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

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	20 years
Buildings and structures	5, 20 years

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

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(h) Finance lease

The Group recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 the location and condition necessary for it to be capable of operating 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 assumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an 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 net within income or expense 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 or the present value of the minimum lease payments at the inception of the

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lease, less accumulated depreciation and accumulated 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.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognised and reclassified as investment properties.

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.

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:

Land improvements	5 - 33 years
Buildings and structures	20 - 30 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 20 years
Transportation equipment	3 - 10 years

For two particular subsidiaries, Phoenix Pulp & Paper Public Company Limited and Thai Cane Paper Public Company Limited, depreciation of property, plant and equipment has been computed by the following methods over the periods as follows:

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- Phoenix Pulp & Paper Public Company Limited

		Depreciation method
Land improvements	5 - 30 years	Straight-line
Buildings and structures		
- Acquired prior to 1 January 2002	30 years	Sinking Fund
- Acquired from 1 January 2002	20, 25, 30 years	Straight-line
Machinery and equipment	15 years	Sinking Fund
Certain machinery and equipment	5 - 25 years	Straight-line
Furniture, fixtures and office equipment	3, 5 years	Straight-line
Transportation equipment	5 years	Straight-line

-Thai Cane Paper Public Company Limited

		Depreciation method
Land improvements	5 - 20 years	Straight-line
Buildings and structures	5, 20 years	Straight-line
Production machinery		
- Kanchanaburi Mill	Estimated production capacity of 1.92 million tons	
- Prachinburi Mill	Estimated production capacity of 5.25 million tons	
Machinery and equipment	5 - 15 years	Straight-line
Furniture and fixtures	5, 10 years	Straight-line
Transportation equipment	5 years	Straight-line

The effect of using the above different depreciation methods on the consolidated financial statements is insignificant.

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

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.

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(j) Goodwill and intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

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

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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 calculated 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 are as follows:

Software licences	3 - 10 years
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No amortisation is provided on assets under development.

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

(k) Impairment

The carrying amounts of the Group’s assets are reviewed at the end of each reporting period 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.

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Calculation of recoverable amount

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.

Reversals of impairment

An impairment loss in respect of 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.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting period 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 accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) 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's 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 recognised immediately in other comprehensive income. 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 recognised 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 occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

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.

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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 finance cost.

(o) Revenue

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

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 recognised as services are provided on the basis of stage of completion.

Interest and dividend income

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

(p) Expenses

Operating lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of lease.

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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.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Early retirement expense

The Group offered certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(q) Income tax

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

Current tax

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

Deferred tax

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

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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 to the extent that it is probable that they will not reverse in the foreseeable future. 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 end of the reporting period.

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.

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.

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. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Derivative financial instruments*

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables and payables, long-term receivables, loans, investments and borrowings.

The Group operates internationally and is exposed to risks from changes in foreign exchange rates. The Group uses derivative financial instruments to mitigate those risks. All gains and losses on hedge transactions are recognised in profit or loss in the same period as the exchange differences on the items covered by the hedge.

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4 Acquisitions of business and changes in status of subsidiaries

Year 2015

Acquisitions

In the first quarter of 2015, the financial statements of Prepack Thailand Co., Ltd. (Prepack), a leading producer of flexible packaging products in Thailand, have been included in the Group’s consolidated financial statements through a share purchase of an additional 50% stake from the existing shareholders. The Group’s ownerships (by a subsidiary) increased from 22% to 72%. As the result, the Group has significant management control over its financial and operating policies since 28 January 2015. The transaction value is Baht 798 million, resulting in the Group determined the fair value of the previously held equity interest in Prepack prior to the change of status from associate to subsidiary.

	<i>(in million Baht)</i>
Fair value of previously held equity interest	302
Less carrying amount of investment at equity method	(291)
Gain on revaluation of investment	11

In the second quarter of 2015, the Group acquired 80% of the ordinary shares of Tin Thanh Packing Joint Stock Company (BATICO), a top manufacturer of flexible packaging products in Vietnam, for a consideration of Baht 889 million.

The acquisition qualifies for treatment as a business combination in accordance with TFRS 3 (revised 2014) “Business Combinations”, which requires that the assets acquired, liabilities and contingent liabilities assumed be recorded at their fair values on acquisition date, together with goodwill, if any. The determination of the fair values of the above acquisition has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

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SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

The subsidiaries' net assets and liabilities at the acquisition date comprised the following:

	Prepack	BATICO	Total
	<i>(in million Baht)</i>		
Cash and cash equivalents	58	38	96
Trade receivables	303	223	526
Inventories	146	159	305
Other current assets	4	52	56
Property, plant and equipment	430	406	836
Intangible assets	6	3	9
Other non-current assets	46	75	121
Interest-bearing loans and borrowings	(60)	(546)	(606)
Trade payables	(225)	(107)	(332)
Other current liabilities	(23)	(22)	(45)
Other non-current liabilities	(56)	(2)	(58)
Carrying amounts of net identifiable assets and liabilities	629	279	908
Add fair value adjustments	308	160	468
Less non-controlling interests	(275)	(88)	(363)
Less fair value of previously held equity interest	(302)	-	(302)
Recognised value of net assets acquired	360	351	711
Goodwill	438	538	976
Total consideration transferred	798	889	1,687
Cash acquired	(58)	(38)	(96)
Net cash outflows	740	851	1,591
Less accrued investment and other specified purpose deposit in bank			(132)
Net cash outflows in 2015			1,459

Accrued investment of Baht 94 million will be paid by the Group to the seller when all prescribed conditions are achieved by the acquired company.

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The assets and liabilities since acquisition date of Prepack Thailand Co., Ltd. and Tin Thanh Packing Joint Stock Company have been included in the Group's consolidated financial statements for the period ended 31 December 2015. Since acquisition date, the subsidiaries contributed revenue from sales of Baht 2,221 million to the Group's operating results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue from sales would have been Baht 71,837 million for the year ended 31 December 2015.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently the Group will adjust the provisional fair values or recognise any additional assets or liabilities that existed at the acquisition date, and the adjustments on accounting transactions of such acquisition will be made.

Disposal of interest in subsidiary with a change of control

In the fourth quarter of 2015 the Group sold 32% of its interest in Thai British Security Printing Public Company Limited ("TBSP"), a subsidiary, for Baht 463 million in cash, reducing its ownership interest to 17.79% thereby ceasing to have control over the subsidiary. The TBSP's financial statements have not been included in the Group's consolidated financial statements since 20 November 2015. The carrying amount of TBSP's net assets in the Group's consolidated financial statements on the date of the sale was Baht 621 million. The Group recognised a decrease in non-controlling interests of Baht 312 million; and a gain on disposal of investment before income tax expense of Baht 254 million, which is included in other income in the consolidated income statements.

The Group remeasured the fair value of the Group's retained interest in TBSP at the date when control was lost by contractually agreed prices equivalent to fair value based on the discounted cash flow method under an assumption that TBSP continues its current operations. A gain on remeasurement of Baht 147 million is included in other income in the consolidated income statements.

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For the year ended 31 December 2015

The carrying amount of net assets and liabilities on the date of the ceasing to have control over the subsidiary of the interest in subsidiary comprised the following:

	TBSP (in million Baht)
Cash and cash equivalents	208
Trade receivables	172
Inventories	152
Other current assets	36
Property, plant and equipment	301
Intangible assets	15
Other non-current assets	7
Interest-bearing loans and borrowing	(61)
Trade Payables	(97)
Other current liabilities	(55)
Other non-current liabilities	(40)
Non-controlling interests	(17)
Carrying amounts of net assets and liabilities	621
<i>Less non-controlling interests</i>	<i>(312)</i>
Carrying amounts of the interest in subsidiary	309
Net recognised value of disposal of investment in subsidiary	453
Carrying amounts of the interest in subsidiary	(199)
Gain on disporal of investment-before income tax expense	254

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SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

Year 2014

Acquisitions

In the fourth quarter of 2014, the Group acquired entire ordinary shares of D-In Pack Co., Ltd. (D-IN), a producer of corrugated containers in Thailand for a cash consideration of Baht 30 million and acquired 90% of the ordinary shares of PT Indoris Printingdo (Indoris), a producer of high quality containers in Indonesia for a cash consideration of Baht 249 million.

The acquisitions qualify for treatment as a business combination in accordance with TFRS 3 (revised 2012) Business Combinations, which requires that the assets acquired, liabilities and contingent liabilities assumed be recorded at their fair values on acquisition date, together with goodwill, if any. The determination of the fair values of the above acquisitions has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

The assets, liabilities and operating results since acquisition date of D-In Pack Co., Ltd., and PT Indoris Printingdo have been included in the Group's consolidated financial statements for the year ended 31 December 2014. From the acquisition date, these subsidiaries contributed revenue from sales to the Group's operating results of Baht 19 million. If the acquisition had occurred on 1 January 2014, management estimates that the Group's consolidated revenue from sales would have been Baht 64,869 million for the year ended 31 December 2014.

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SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

The subsidiary's net assets and liabilities at acquisition date comprised the followings:

	Indoris	D-IN	Total
	<i>(in million Baht)</i>		
Cash and cash equivalents	23	-	23
Trade receivables	28	19	47
Inventories	18	3	21
Property, plant and equipment	42	29	71
Interest-bearing liabilities	(24)	(13)	(37)
Trade payables	(18)	(13)	(31)
Other current liabilities	(4)	(1)	(5)
Other non-current liabilities	(13)	(1)	(14)
Net carrying amounts of identifiable assets and liabilities	52	23	75
Add fair value adjustments	124	28	152
Less non-controlling interests	(18)	-	(18)
Recognised value of net assets acquired	158	51	209
Goodwill	91	-	91
Gain on bargain purchase	-	(21)	(21)
Total consideration transferred	249	30	279
Cash acquired	(23)	-	(23)
Net cash outflows	226	30	256

5 Related parties

Parties are considered to be related to the Company if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company

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SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

Name of entities	Country of incorporation/ nationality	Nature of relationships
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Ceramic Group Industries Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Landscape Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Singapore Trading Pte. Ltd.	Singapore	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Hong Kong Limited	Hong Kong	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Philippines Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Vietnam Co., Ltd.	Vietnam	A subsidiary of The Siam Cement Public Company Limited
SCG Trading USA Inc.	USA	A subsidiary of The Siam Cement Public Company Limited

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
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Name of entities	Country of incorporation/ nationality	Nature of relationships
SCG Trading Australia Pty. Ltd.	Australia	A subsidiary of The Siam Cement Public Company Limited
PT SCG Trading Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Prime Group Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Thai-German Ceramic Industry Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
PT Siam Indo Gypsum Industry	Indonesia	A subsidiary of The Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
P&S Holdings Corporation	Philippines	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Saha Green Forest Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Rengo Packaging Malaysia Sdn. Bhd.	Malaysia	An associate of The Siam Cement Public Company Limited
The Siam Gypsum Industry (Saraburi) Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
The Siam Gypsum Industry (Songkhla) Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai MFC Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai British Security Printing Public Company Limited	Thailand	Common directors with SCG Packaging Public Company Limited and its Subsidiaries

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sales	Market price
Purchases	Market price
Intellectual properties fees	Percentage of net revenue from sales
Expenses	Market price and contract rate
Dividends income	Upon declaration
Interest expense	Contract rate

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

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Significant transactions for the years ended 31 December with related parties were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales	29,239	17,905
Intellectual properties fees	331,675	295,875
Interest expense	586,696	615,988
Expenses	304,364	256,984
Associates		
Revenue from sales	746,454	478,233
Dividends income	8,942	5,218
Purchases	284,155	106,343
Others		
Revenue from sales	2,281,668	2,184,756
Purchases	5,207,505	4,968,842
Expenses	2,705,634	2,850,468

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

Trade receivables

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
The Siam Cement Public Company Limited	3,133	2,061
Associates		
Siam Toppan Packaging Co., Ltd.	60,208	59,759
Siam Nippon Industrial Paper Co., Ltd.	38,500	15,794
Saha Green Forest Co., Ltd.	5,434	3,719
Rengo Packaging Malaysia Sdn. Bhd.	4,464	18

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SCG Packaging Public Company Limited and its Subsidiaries

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	2015	2014
	<i>(in thousand Baht)</i>	
Others		
PT SCG Trading Indonesia	67,037	7,822
The Siam Gypsum Industry (Saraburi) Co., Ltd.	39,696	43,071
SCG Trading Co., Ltd.	34,370	14,829
SCG Logistics Management Co., Ltd.	24,235	22,325
Thai MFC Co., Ltd.	18,617	7,755
Sosuco Ceramic Co., Ltd.	9,263	12,079
Thai British Security Printing Public Company Limited	8,081	-
The Siam Gypsum Industry (Songkhla) Co., Ltd.	7,864	10,225
The Siam Ceramic Group Industries Co., Ltd.	7,451	8,721
Siam Polyethylene Co., Ltd.	6,445	-
Siam Sanitary Ware Industry Co., Ltd.	6,119	7,504
Prime Group Joint Stock Company	4,895	3,939
SCG Cement-Building Materials Co., Ltd.	4,728	6,876
Thai-German Ceramic Industry Public Company Limited	4,671	7,473
PT Siam Indo Gypsum Industry	-	50,008
Others	25,224	25,356
Total	380,435	309,334

Receivables from related parties

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
The Siam Cement Public Company Limited	611	5,328
Associates		
Siam Nippon Industrial Paper Co., Ltd.	18,791	12,837
P&S Holdings Corporation	1,921	2,071
Rengo Packaging Malaysia Sdn. Bhd.	1,052	647
Saha Green Forest Co., Ltd.	6	-
Prepack Thailand Co., Ltd.	-	2,242

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	2015	2014
	(in thousand Baht)	
<i>Others</i>		
The Siam Fibre-Cement Co., Ltd.	3,296	35
SCG Trading Co., Ltd.	937	233
Thai British Security Printing Public Company Limited	604	-
SCG Logistics Management Co., Ltd.	275	514
SCG Building Materials Co., Ltd.	-	1,010
Others	119	1,033
Total	27,612	25,950

Short-term loans to related party

	2015	2014
	(in thousand Baht)	
<i>Associates</i>		
Saha Green Forest Co., Ltd.	5,000	-

Advance payment for implementation project

	2015	2014
	(in thousand Baht)	
<i>Parent</i>		
The Siam Cement Public Company Limited	437,078	-

Long-term receivable and deposit shown under other non-current assets

	2015	2014
	(in thousand Baht)	
<i>Associate</i>		
P&S Holdings Corporation	144,129	138,254

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Trade payables

	2015	2014
	(in thousand Baht)	
<i>Associates</i>		
Siam Nippon Industrial Paper Co., Ltd.	28,965	12,263
Siam Toppan Packaging Co., Ltd.	6,646	8,270
<i>Others</i>		
SCG Logistics Management Co., Ltd.	330,455	386,671
SCG Trading Co., Ltd.	310,552	328,391
SCG Trading Vietnam Co., Ltd.	63,230	68,733
SCG Trading USA Inc.	25,670	25,964
Siam Synthetic Latex Co., Ltd.	22,486	-
SCG Plastics Co., Ltd.	22,478	4,430
SCG Trading Philippines Inc.	17,614	28,928
SCI Eco Services Co., Ltd.	12,260	34,504
IT One Co., Ltd.	9,030	13,647
SCG Singapore Trading Pte. Ltd.	8,491	5,673
SCG Landscape Co., Ltd.	6,615	-
SCG Trading Hong Kong Limited	5,180	6,320
SCG Cement-Building Materials Co., Ltd.	4,001	13,255
Thai British Security Printing Public Company Limited	2,723	-
The Siam Refractory Industry Co., Ltd.	1,100	14,104
SCG Trading Australia Pty. Ltd.	-	94,988
SCG Cement Co., Ltd.	-	11,016
Rayong Olefins Co., Ltd.	-	10,049
Others	10,367	8,540
Total	887,863	1,075,746

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Payables to related parties

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Parent</i>		
The Siam Cement Public Company Limited	336,529	148,281
<i>Associates</i>		
Siam Toppan Packaging Co., Ltd.	4,695	4,705
P&S Holdings Corporation	1,317	2,443
Siam Nippon Industrial Paper Co., Ltd.	1,181	1,154
<i>Others</i>		
The Concrete Products and Aggregate Co., Ltd.	3,378	8
SCG Cement-Building Materials Co., Ltd.	1,460	693
Thai British Security Printing Public Company Limited	1,325	-
Others	557	846
Total	350,442	158,130

Short-term loans from related parties

	2015	2014
	<i>(in thousand Baht)</i>	
Notes payable		
<i>Parent</i>		
The Siam Cement Public Company Limited (Interest rate 4.25% and 4.75% per annum in 2015 and 4.75% per annum in 2014)	12,785,587	12,247,617
<i>Others</i>		
PT SCG Indonesia	18,583	-
Total	12,804,170	12,247,617

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Movements during the years on short-term loans from related parties were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	12,247,617	13,842,972
Increase	18,480,640	22,639,222
Decrease	(17,924,087)	(24,234,577)
At 31 December	12,804,170	12,247,617

Key management compensation

	2015	2014
	<i>(in thousand Baht)</i>	
Short-term employee benefits	112,686	122,884
Post-employment benefits	2,060	9,805
Total	114,746	132,689

Management benefit expenses comprise of the remuneration paid to the management as staff expenses in terms of salary, bonus, others and contribution to defined contribution plans.

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6 Trade and other receivables

	Note	2015 (in thousand Baht)	2014
Trade receivables			
Related parties	5	380,435	309,334
Other companies		9,843,208	8,781,111
Less allowance for doubtful accounts		179,789	195,864
Net		9,663,419	8,585,247
		10,043,854	8,894,581
Other receivables			
Related parties	5	27,612	25,950
Other companies		721,274	695,913
		748,886	721,863
Total		10,792,740	9,616,444
Recovery doubtful debts expenses for the year		(2,245)	(4,088)

	2015 (in thousand Baht)	2014
Related parties		
Within credit terms	330,969	278,026
Overdue		
Less than 3 months	48,235	31,201
3 - 6 months	1,221	107
Over 6 - 12 months	10	-
Total	380,435	309,334

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	2015 (in thousand Baht)	2014
Other companies		
Within credit terms	8,822,064	7,935,877
Overdue		
Less than 3 months	762,929	616,114
3 - 6 months	75,065	22,449
Over 6 - 12 months	1,269	6,704
Over 12 months	181,881	199,967
	9,843,208	8,781,111
Less allowance for doubtful accounts	179,789	195,864
Net	9,663,419	8,585,247
Total	10,043,854	8,894,581

The normal credit term granted by the Group is 30-90 days.

7 Inventories

	2015 (in thousand Baht)	2014
Finished goods	3,783,887	3,459,953
Goods in process	607,003	511,568
Raw materials	2,786,226	2,440,067
Spare parts, supplies and others	2,703,436	2,578,749
Goods in transit	794,096	861,126
Total	10,674,648	9,851,463
Less allowance for decline in value of inventories	57,742	45,711
Net	10,616,906	9,805,752

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	2015	2014
	<i>(in thousand Baht)</i>	
Cost of inventories recognised as an expense in cost of sales:		
Cost of sales	58,236,908	52,767,684
Less Write-down to net realisable value	(48,154)	(15,977)
Add Reversal of write-down	39,682	18,076
Less Service cost and others	(113,762)	(92,110)
Net total	58,114,674	52,677,673
Changes in inventories of finished goods and goods in process	(419,369)	(439,779)
Raw materials and consumables used	22,483,007	24,770,149

8 Investments in associates

Movements for the years ended 31 December on investments in associates accounted for using the equity method were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	1,301,481	1,093,100
Share of net loss of associates	(91,439)	(66,094)
Share of other comprehensive income of associates	(16,678)	(9,072)
Increase in investments	-	288,765
Dividends income	(8,942)	(5,218)
Change of the status to subsidiary	(291,440)	-
At 31 December	892,982	1,301,481

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SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

Investments in associates as at 31 December and dividends income from the investments during the years ended at the same date were as follows:

	Total direct/		Paid-up capital		Cost method		Equity method		Dividend income	
	indirect holding									
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in thousand Baht)</i>									
Associates										
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	394,860	383,892	8,942	5,218
Siam Nippon Industrial Paper Co., Ltd.	34.42	34.42	1,100,000	1,100,000	495,000	495,000	318,462	417,257	-	-
Rengo Packaging Malaysia Sdn. Bhd.	17.50	17.50	803,897	803,897	200,974	200,974	131,408	159,798	-	-
Saha Green Forest Co., Ltd.	19.12	19.12	190,000	190,000	47,500	47,500	48,252	49,903	-	-
P&S Holding Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
Prepack Thailand Co., Ltd.	-	15.29	-	367,000	-	288,765	-	290,631	-	-
Total			2,856,485	3,223,485	1,093,595	1,382,360	892,982	1,301,481	8,942	5,218

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Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	(in thousand Baht)
Carrying amount of interests in immaterial associates as at 31 December 2015	892,982
Group's share of:	
- Loss for the year from continuing operations	(91,439)
- Other comprehensive income for the year	(16,678)
- Total comprehensive income for the year	(108,117)

9 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	Thai Containers Group Co., Ltd.	Phoenix Pulp & Paper Public Company Limited
	(in thousand Baht)	
Non-controlling interests at 31 December 2015		
Non-controlling interest percentage	30.00%	23.52%
Current assets	3,494,868	6,847,124
Non-current assets	9,643,369	20,063,028
Current liabilities	(5,405,561)	(7,349,049)
Non-current liabilities	(290,343)	(1,158,831)
Net assets	7,442,333	18,402,272
Carrying amount of non-controlling interest	2,232,700	4,328,214

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SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

Revenue	14,291,185	7,939,570
Profit for the year	776,572	516,946
Other comprehensive income for the year	(50,898)	(28,518)
Total comprehensive income for the year	725,674	488,428

For the year ended 31 December 2015

Profit for the year		
- Attributable to owners of the parent	543,600	395,360
- Attributable to non-controlling interest	232,972	121,586
Other comprehensive income for the year		
- Attributable to owners of the parent	(35,629)	(21,811)
- Attributable to non-controlling interest	(15,269)	(6,707)
	725,674	488,428
Cash flows from operating activities	1,144,440	1,525,178
Cash flows from investing activities	(1,436,480)	(3,960,582)
Cash flows from financing activities	302,506	2,558,994
Net increase in cash and cash equivalents	10,466	123,590
Dividends to non-controlling interest	45,257	21,028

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SCG Packaging Public Company Limited and its Subsidiaries

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10 Investment properties

	Note	Land and land improvements (in thousand Baht)
Cost		
At 1 January 2014		54,369
Transfer from property, plant and equipment	11	21
At 31 December 2014		54,390
Transfer from property, plant and equipment	11	1,631
At 31 December 2015		56,021

Investment properties were revalued as at 31 December 2015 and 2014 by independent valuer at open market values on an existing use basis. The appraised value was Baht 134 million (2014: Baht 124 million).

The fair value measurement for investment properties have been categorised as a Level 3 fair value based on the inputs, which are market approach and replacement cost approach, to the valuation technique used.

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11 Property, plant and equipment

Cost	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
At 1 January 2014	2,863,932	11,997,056	84,978,737	1,437,901	255,432	6,201,086	107,734,144
Acquisitions through business combinations	161,522	65,316	139,068	3,874	12,182	-	381,962
Additions	621	731,106	3,598,998	89,346	35,647	6,911,717	11,367,435
Disposals/written off	(1,306)	(24,281)	(460,330)	(32,172)	(61,515)	(22,263)	(601,867)
Transfer to investment properties	(21)	-	-	-	-	-	(21)
Transfers in (out)	31,919	879,796	3,178,416	35,011	1,243	(4,126,385)	-
Foreign currency translation differences	(4,671)	(12,317)	(38,135)	(2,580)	277	(166)	(57,592)
At 31 December 2014	3,051,996	13,636,676	91,396,754	1,531,380	243,266	8,963,989	118,824,061
Acquisitions through business combinations	128,228	298,300	1,741,165	40,365	74,045	12,706	2,294,809
Decrease from change the status of subsidiaries	(30,042)	(223,440)	(1,015,479)	(111,539)	(3,262)	(3,693)	(1,387,455)
Additions	145,894	506,636	2,350,019	75,124	43,302	7,073,688	10,194,663
Disposals/written off	(5,567)	(52,913)	(828,106)	(45,614)	(31,539)	(40,132)	(1,003,871)
Transfer to investment properties	(1,631)	-	-	-	-	-	(1,631)
Transfers in (out)	95,541	544,520	5,040,620	88,904	2,546	(5,772,131)	-
Foreign currency translation differences	(14)	62,096	409,403	4,968	738	19,783	496,974
At 31 December 2015	3,384,405	14,771,875	99,094,376	1,583,588	329,096	10,254,210	129,417,550

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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
<i>(in thousand Baht)</i>							
Accumulated depreciation and accumulated impairment losses							
At 1 January 2014	849,880	7,146,924	58,299,680	1,142,255	202,971	-	67,641,710
Acquisitions through business combinations	-	15,649	86,846	3,050	4,878	-	110,423
Depreciation charge for the year	63,534	462,076	3,448,833	91,985	13,622	-	4,080,050
Impairment losses	-	43	28,244	8,105	-	-	36,392
Disposals/written off	(1,224)	(21,292)	(424,297)	(27,413)	(50,079)	-	(524,305)
Foreign currency translation differences	(112)	(5,730)	(18,635)	(2,116)	189	-	(26,404)
At 31 December 2014	912,078	7,597,670	61,420,671	1,215,866	171,581	-	71,317,866
Acquisitions through business combinations	-	111,416	722,347	32,244	39,227	-	905,234
Decrease from change the status of subsidiaries	(1,028)	(185,395)	(806,664)	(90,323)	(2,904)	-	(1,086,314)
Depreciation charge for the year	64,307	509,181	4,052,048	120,227	32,726	-	4,778,489
Impairment losses (reversal)	-	-	42,231	(7,217)	-	-	35,014
Disposals/written off	(15)	(43,756)	(804,149)	(45,291)	(25,960)	-	(919,171)
Foreign currency translation differences	2,207	30,668	244,310	3,875	491	-	281,551
At 31 December 2015	977,549	8,019,784	64,870,794	1,229,381	215,161	-	75,312,669

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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
<i>(in thousand Baht)</i>							
Carrying amount							
At 31 December 2014	2,139,918	6,039,006	29,976,083 [*]	315,514	71,685	8,963,989	47,506,195
At 31 December 2015	2,406,856	6,752,091	34,223,582 [*]	354,207	113,935	10,254,210	54,104,881

* These include machinery acquired under financial lease with carrying amount Baht 230 million at 31 December 2015 (2014: Baht 68 million).

The gross carrying amount of fully depreciated property, plant and equipment that is still in use amounted to Baht 46,274 million as at 31 December 2015 (2014: Baht 44,696 million).

In 2015, capitalised borrowing costs relating to the acquisition of the property, plant and equipment were capitalised as part of the cost of construction in progress, amounting to Baht 54 million (2014: Baht 133 million), rates of interest capitalised at 1.85% - 4.75% per annum (2014: 4.50% - 4.75% per annum).

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12 Goodwill

	Note	2015	2014
		(in thousand Baht)	
At 1 January		977,387	889,859
Acquisitions through business combinations	4	983,796	90,639
Foreign currency translation differences		14,632	(3,111)
At 31 December		1,975,815	977,387

13 Intangible assets

	Software licenses (in thousand Baht)	
Cost		
At 1 January 2014		704,666
Additions		67,724
Disposals/written off		(10,679)
Foreign currency translation differences		(69)
At 31 December 2014		761,642
Acquisition and change the status of subsidiaries		(21,613)
Additions		42,663
Disposals/written off		(25,410)
Foreign currency translation differences		1,492
At 31 December 2015		758,774

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Accumulated amortisation

At 1 January 2014	440,172
Amortisation charge for the year	62,285
Disposals/written off	(9,704)
Foreign currency translation differences	39
At 31 December 2014	492,792
Acquisition and change the status of subsidiaries	(14,959)
Amortisation charge for the year	61,759
Disposals/written off	(20,503)
Foreign currency translation differences	2,206
At 31 December 2015	521,295

Carrying amount

At 31 December 2014	268,850
At 31 December 2015	237,479

14 Deferred tax assets (deferred tax liabilities)

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 which are included in the consolidated statements of financial position as follows:

	2015	2014
	(in thousand Baht)	
Deferred tax assets	356,785	384,085
Deferred tax liabilities	271,399	184,013
Net	85,386	200,072

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		Credited (charged) to				
	At 1		other	Increase		At 31
	January	profit	comprehensive	through	Translation	December
	2014	or loss	income	business combinations	differences	2014
<i>(in thousand Baht)</i>						
Deferred tax assets						
Trade receivables	34,100	(2,085)	-	-	3	32,018
Inventories	16,809	674	-	-	-	17,483
Property, plant and equipment	144,520	(52,268)	-	-	-	92,252
Employee benefit obligations	212,843	10,305	13,296	-	252	236,696
Loss carry forward	15,915	8,120	-	-	336	24,371
Others	7,743	(7,271)	-	-	3	475
Total	431,930	(42,525)	13,296	-	594	403,295
Deferred tax liabilities						
Property, plant and equipment	231,755	(76,219)	-	48,341	(2,383)	201,494
Others	1,346	378	-	-	5	1,729
Total	233,101	(75,841)	-	48,341	(2,378)	203,223
Net	198,829	33,316	13,296	(48,341)	2,972	200,072

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		Credited (charged) to		Acquisition		
	At 1		other	and change		At 31
	January	profit	comprehensive	the status of	Translation	December
	2015	or loss	income	subsidiaries	differences	2015
				(in thousand Baht)		
Deferred tax assets						
Trade receivables	32,018	(1,124)	-	(16)	1	30,879
Inventories	17,483	(6,719)	-	707	-	11,471
Property, plant and equipment	92,252	(25,719)	-	(11,006)	-	55,527
Employee benefit obligations	236,696	18,771	23,540	3,089	768	282,864
Loss carry forward	24,371	(23,714)	-	-	123	780
Others	475	1,626	-	-	61	2,162
Total	403,295	(36,879)	23,540	(7,226)	953	383,683
Deferred tax liabilities						
Property, plant and equipment	201,494	(43,058)	-	102,350	290	261,076
Others	1,729	35,492	-	-	-	37,221
Total	203,223	(7,566)	-	102,350	290	298,297
Net	200,072	(29,313)	23,540	(109,576)	663	85,386

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The deductible temporary differences and unused tax losses that have not been recognised as deferred tax assets (liabilities) are as the following items:

	2015	2014
	<i>(in thousand Baht)</i>	
Temporary differences		
- Trade receivables	48,846	46,855
- Inventories	27,997	27,548
- Employee benefit obligations	103,314	130,967
- Others	111,312	72,534
Unused tax losses	2,060,420	1,664,335
Total	2,351,889	1,942,239

The deductible temporary differences do not expire under current tax legislation and the tax losses which would be expired within 2020. The Group has not recognised these items in deferred tax assets.

As at 31 December 2015 and 2014, no deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future.

15 Bank overdrafts and short-term loans from financial institutions

	2015	2014
	<i>(in thousand Baht)</i>	
Bank overdrafts	2,017	37,344
Short-term loans	6,798,005	890,554
Total	6,800,022	927,898

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16 Trade and other payables

	Note	2015	2014
		<i>(in thousand Baht)</i>	
Trade payables			
Related parties	5	887,863	1,075,746
Other parties		4,149,181	3,736,173
		5,037,044	4,811,919
Other payables			
Related parties	5	350,442	158,130
Other parties		1,614,014	1,046,952
		1,964,456	1,205,082
Total		7,001,500	6,017,001

17 Long-term loans from financial institutions

	2015	2014
	<i>(in thousand Baht)</i>	
Unsecured		
Local loans	5,877,557	7,800,000
Foreign loans		
- US Dollars	-	57,993
Total	5,877,557	7,857,993

The period to maturity of long-term loans from financial institutions is as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Within one year	1,972,900	2,007,993
After one year but within five years	3,904,657	5,850,000
Total	5,877,557	7,857,993

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Local loans

In 2013, Siam Kraft Industry Co., Ltd., a subsidiary entered into a loan agreement with a commercial bank to borrow a total of Baht 7,800 million. This loan bears interest at 4.50% per annum and is repayable in semi-annual installments commencing from March 2015 through September 2018. This loan has no collateral.

In 2015, Prepack Thailand Co., Ltd., a subsidiary entered into a loan agreement with a commercial bank to borrow a total of Baht 220 million. This loan bears interest at MLR minus 2.35% per annum and is repayable in monthly installments commencing from August 2016 through August 2020. This loan has no collateral.

Foreign loans

In 2015 Vina Kraft Paper Co., Ltd., a subsidiary entered into the long-term loan agreements with 3 commercial banks in Vietnam totalling Vietnamese Dong 1,220 billion, equivalent to Baht 1,952 million, which has not been yet drawn down. The interest rates are at cost of fund period of 3 - 6 months plus 0.50% - 0.80% per annum and after 18 months from the first time of redemption the repayment schedules are six-monthly installments.

18 Finance lease liabilities

Subsidiaries entered into leased machinery and equipment agreements. Lease terms are for a period of 3 - 5 years. Finance lease liabilities as at 31 December are as follows:

	Principal	Interest	Payments
	<i>(in thousand Baht)</i>		
Year 2015			
Within one year	52,879	6,879	59,758
After one year but within five years	81,485	10,808	92,293
Total	134,364	17,687	152,051

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	Principal	Interest	Payments
	<i>(in thousand Baht)</i>		
Year 2014			
Within one year	13,516	2,792	16,308
After one year but within five years	49,818	4,298	54,116
Total	63,334	7,090	70,424

19 Employee benefit obligations

The Group operates post employment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

Employee benefit obligations in consolidated statement of financial position as at 31 December

	2015	2014
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payments plan	1,264,054	1,079,668
Pension	39,295	18,680
Other long-term employee benefits	87,445	129,642
Other employee benefits	2,776	18,658
Total	1,393,570	1,246,648
Less plan assets of foreign subsidiaries	24,383	24,383
Net	1,369,187	1,222,265

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Movement in the present value of the defined benefit obligations

	2015	2014
	<i>(in thousand Baht)</i>	
Defined benefit obligations at 1 January	1,227,990	1,172,214
Include in profit or loss:		
Current service costs	79,698	70,257
Interest on obligation	50,481	46,123
Actuarial gains	(46,691)	(3,304)
	83,488	113,076
Included in other comprehensive income		
Actuarial losses	139,007	923
Other		
Benefits paid	(79,032)	(71,515)
Transferred of employees	(3,690)	-
Acquisition through business combinations	14,569	13,030
Others	8,462	262
	(59,691)	(58,223)
Defined benefit obligations at 31 December	1,390,794	1,227,990

Actuarial losses (gains) recognised in other comprehensive income as of the end of the reporting period arising from:

	<i>(in thousand Baht)</i>
For the years ended 31 December 2015	
Demographic assumptions	(77,205)
Financial assumptions	32,424
Experience adjustment	183,788
Total	139,007

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2015	2014
	<i>(%)</i>	
For the years ended 31 December		
Discount rate *		
- Thailand	2.62 - 3.53	3.14 - 4.58
- Vietnam	6.90	10.50
- Indonesia	9.00 - 9.20	8.50
- Philippines	5.90	4.93
Salary increase rate	3.00 - 9.00	4.50 - 12.00
Employee turnover rate **	0.00 - 35.00	0.00 - 20.00
Mortality rate ***	25.00, 50.00, 75.00,	
	100.00 of TMO2008	25.00 of TMO2008

* Legal severance payments plan and Pension

** Upon the length of service

*** Reference from TMO2008: Thai Mortality Ordinary Table 2008

Sensitivity analysis

Reasonably possible changes at the end of 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.

Effect on the defined benefit plans at 31 December 2015

	Increase (decrease) <i>(in thousand Baht)</i>
Discount rate	
0.50% increase	(68,181)
0.50% decrease	74,353
Salary increase rate	
1.00% increase	150,079
1.00% decrease	(129,030)

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Increase (decrease)
(in thousand Baht)

Employee turnover rate

10.00% increase (41,949)

10.00% decrease 44,325

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.

Plan assets of foreign subsidiaries

	2015	2014
	(%)	
For the years ended 31 December		
Discount rate	5.90	4.93

20 Share capital

	Par value (in Baht)	2015 Number of shares	2015 Value	2014 Number of shares	2014 Value
(in thousand shares / thousand Baht)					
<i>Authorised</i>					
At 1 January					
- ordinary share	10	156,300	1,563,000	156,300	1,563,000
At 31 December					
- ordinary share	10	156,300	1,563,000	156,300	1,563,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary share	10	156,300	1,563,000	156,300	1,563,000
At 31 December					
- ordinary share	10	156,300	1,563,000	156,300	1,563,000

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21 Reserves and other components of shareholders' equity

Share premium

Section 51 of the Public Companies 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 ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies 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 authorised capital. The legal reserve is not available for dividend distribution.

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in a foreign operation.

22 Selling expenses

	2015	2014
	(in thousand Baht)	
Freight and commission expenses	2,907,092	2,575,326
Custom, insurance expense and intellectual properties fees	352,178	313,783
Sales promotion and marketing expenses	305,927	272,168
Others	53,198	62,506
Total	3,618,395	3,223,783

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23 Administrative expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Salary, welfare and employee expenses	2,757,436	2,595,006
Professional fees	553,881	442,039
Rent, depreciation and amortisation	377,191	364,861
Labor and wages from outside, repair and maintenance expenses	112,776	126,878
Representation, public relations expenses and donations	87,829	94,520
Insurance expenses, bank charges and other fees	75,913	83,011
Office equipment, printing form and communication expenses	65,061	68,508
Others	74,408	76,345
Total	4,104,495	3,851,168

24 Employee benefit expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Salaries and wages	6,506,404	5,834,576
Contribution to defined contribution plans	388,479	352,484
Contribution to defined benefit plans	83,488	113,076
Early retirement expenses	4,687	16,804
Others	699,869	691,872
Total	7,682,927	7,008,812

The Group has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the Group are payable to the employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 13% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

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25 Income tax expense

Income tax recognised in profit or loss

	Note	2015	2014
		<i>(in thousand Baht)</i>	
Current tax			
Current tax expense		527,598	725,035
Over provided in prior years		(7,899)	(50,965)
Deferred tax			
Movements in temporary differences	14	29,313	(33,316)
Total		549,012	640,754

Income tax recognised in other comprehensive income

	2015	2014
	<i>(in thousand Baht)</i>	
Actuarial loss	(26,118)	(13,589)

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Reconciliation of effective tax rate

		2015		2014
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before income tax expense		4,393,198		4,376,907
Share of loss of associates		91,439		66,094
		<u>4,484,637</u>		<u>4,443,001</u>
Income tax using the Thai corporation tax rate	20	896,927	20	888,600
<i>Tax effected from;</i>				
Tax rates in foreign jurisdictions		12,522		9,609
Income not subject to tax		(461,002)		(355,153)
Recognition of previous year as current taxable income		-		13,680
Tax privileges		(20,817)		(32,600)
Expenses not deductible for tax purposes and others		25,653		126,981
Tax losses		74,315		73,918
Current tax expense		<u>527,598</u>		<u>725,035</u>
Over provided in prior years		(7,899)		(50,965)
Movement in temporary differences		29,313		(33,316)
Income tax expense	12	<u>549,012</u>	14	<u>640,754</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

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Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% of net taxable profit for the accounting period which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014, based upon FAP's clarification of reduction in the corporate income tax rate in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

26 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group were granted the following privileges.

	Exemption from	50% Deduction
	corporate income	of normal
	tax for 8 years from	corporate income
		tax for 5 years from
Thai Containers Rayong Co., Ltd.		
Manufacture of corrugated paper and cartons	4 January 2009	4 January 2017

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	Exemption from corporate income tax for 8 years from
InfoZafe Co., Ltd.	
Recycle of waste paper	22 August 2007
Phoenix Pulp & Paper Public Company Limited	
Manufacture of uncoated paper	14 May 2008
Phoenix Utilities Co., Ltd.	
Manufacture of electricity and steam	1 April 2011
Siam Kraft Industry Co., Ltd.	
Manufacture of kraft paper	21 September 2011
Manufacture of cardboard	1 February 2013
Thai Cane Paper Public Company Limited	
Manufacture of kraft paper	1 June 2013
Manufacture of kraft paper	1 March 2014
Thai Containers Group Co., Ltd.	
Manufacture of corrugated paper	3 October 2011
Manufacture of corrugated paper	1 October 2012
The Siam Forestry Co., Ltd.	
Eucalyptus forest plantation	19 June 2013

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Exemption from corporate income tax for 6 years from
Thai Paper Co., Ltd.	
Manufacture of coated plastic - Hygienic	29 July 2012
	Exemption from corporate income tax for 3 years from
Thai Containers Group Co., Ltd.	
Manufacture of corrugated paper	1 October 2012
Manufacture of corrugated paper	5 March 2014
Siam Kraft Industry Co., Ltd.	
Manufacture of kraft paper	11 October 2014
Manufacture of gypsum paper	21 May 2015
Manufacture of Industrial paper bag	22 September 2015
Phoenix Pulp & Paper Public Company Limited	
Manufacture of Pulp	7 February 2015

Vina Kraft Paper Co., Ltd. also obtained privileges from a government agency in Vietnam an obligation to pay the income tax at the rate of 15% of taxable profits for the first 12 years starting from the first year of operation, and exemption from corporate income tax for 3 years from the year that profit is first reported and 50% deduction of the said corporate income tax for 7 years thereafter.

Tin Thanh Packing Joint Stock Company also obtained privileges from a government agency in Vietnam an obligation to pay the income tax at the rate of 10% of taxable profits until 2015.

New Asia Industries Co., Ltd. also obtained privileges from a government agency in Vietnam an obligation to pay the income tax at the rate of 15% of taxable profits until 2021.

Alcamax Packaging (Vietnam) Co., Ltd. also obtained privileges from a government agency in Vietnam an obligation to pay the income tax at the rate of 15% of taxable profits until 2027.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificate.

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December was based on the profit for the year attributable to equity holders of the parent and the number of ordinary shares outstanding during the years as follow:

	2015	2014
	<i>(in thousand Baht / thousand shares)</i>	
Profit for the year attributable to equity holders of the parent	3,224,818	3,194,000
Number of ordinary shares outstanding	156,300	156,300
Basic earnings per share <i>(in Baht)</i>	20.63	20.44

28 Dividends

At the annual general meeting of the shareholders of the Company held on 24 March 2014, the shareholders approved the appropriation of dividends of Baht 5.00 per share, amounting to Baht 782 million. The dividend was paid to shareholders during 2014.

At the annual general meeting of the shareholders of the Company held on 23 March 2015, the shareholders approved the appropriation of dividends of Baht 5.00 per share, amounting to Baht 782 million. The dividend was paid to shareholders during 2015.

29 Agreements

As at 31 December, the Group had

- (a) Lease agreements for cars with local companies. The terms of the leases are up to 2015 through 2021 with the annual rental fees of Baht 147 million.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
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- (b) Lease agreements for land, building and structure with local companies. The terms of the leases are up to 2015 through 2040 with the annual rental fees of Baht 93 million.
- (c) A subsidiary entered into a lease agreement with a government entity for the use of a parcel of land situated at Ubolrat Settlement Area, Khon Kaen Province as its plant site. The agreement is for a period of 3 years (with annual rental of Baht 7 million) expiring in the year 2018.
- (d) A subsidiary entered into a lease agreement with an associate covering the land where its factory is located. The agreement has a period of 50 years commencing from 2003, renewal for another 25 years with the annual rental fee of Peso 19.2 million.
- (e) Land leasehold agreement with a foreign company as its plant site. The agreement has a period of 50 years commencing from January 2007. The Company already paid rental in advance amounting to US Dollars 4.8 million which present included under “Other non-current assets” in statement of financial position.
- (f) A subsidiary entered into a lease agreement with a foreign company covering the land where its factory is located. The agreement has a period of 25 years commencing from December 1996. The Company already paid rental in advance amounting to US Dollars 1.2 million which present included under “Other non-current assets” in statement of financial position.
- (g) Three subsidiaries entered into lease agreements with foreign companies covering the land where theirs factory are located. Agreements have a period of 49 years commencing from April 1997. The Company already paid rental in advance amounting to US Dollars 2.6 million which present included under “Other non-current assets” in statement of financial position.
- (h) A subsidiary entered into lease agreements with foreign companies covering the land where theirs factory are located. Agreements have a remaining period of 43 years expiring in the year 2058. The Company already paid rental in advance amounting to Vietnam Dong 40,241 million which present included under “Other non-current assets” in statement of financial position.

30 Financial instruments

Liquidity risk

The Group monitors theirs liquidity risk and maintain 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.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

Credit risk

Credit risk arises from the possibility that customers may not be able to settle obligations to the Group as per contracts which may cause financial loss. The Group have a policy to protect this risk by assessing the credit of customers, defining the credit limit, asking for bank guarantees and/or personnel guarantees, credit terms, controlling credit utilisation and reviewing collections. Fair value of receivables which are presented in statement of financial position is the balances net of allowance for doubtful accounts.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may effect current and future operations of the Group. Management believes that the interest rate risk is minimal, hence, the Group does not have any hedging agreement to protect such risk.

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

	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	Total
2015				
Current				
Short-term loans from financial institutions	MMR, 1.30 - 6.30	6,798	-	6,798
Short-term loans from related parties	4.25, 4.75	12,804	-	12,804
Long-term loans from financial institutions	MLR-2.35, 4.75	1,973	-	1,973
Finance lease liabilities	2.30 - 3.40, 9.60 - 11.55	53	-	53
Non-current				
Long-term loans from financial institutions	MLR-2.35, 4.75	-	3,905	3,905
Finance lease liabilities	2.30 - 3.40, 9.60 - 11.55	-	81	81
Total		21,628	3,986	25,614

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	Total
2014				
Current				
Short-term loans from financial institutions	2.27 - 5.70	891	-	891
Short-term loans from related parties	4.75	12,247	-	12,247
Long-term loans from financial institutions	6 months LIBOR + 0.1775, 4.50	2,008	-	2,008
Finance lease liabilities	5.52	13	-	13
Non-current				
Long-term loans from financial institutions	4.50	-	5,850	5,850
Finance lease liabilities	5.52	-	50	50
Total		15,159	5,900	21,059

Foreign exchange risk

The Group has a policy to enter into forward exchange contracts to manage foreign exchange risk related to liabilities denominated in foreign currencies.

Fair values of financial assets and liabilities

The fair value of current portion of financial assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

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For the year ended 31 December 2015

Other financial liabilities no stated above had the fair and carrying value at 31 December 2015 as following:

	Carrying amount	Fair value
		Level 2
	(in million Baht)	
31 December 2015		
Current		
Current portion of long term loans	1,950	2,128
Forward exchange contracts *		
Forward payable	995	992
Non-current		
Long-term loans	3,900	3,767

* The fair value of forward exchange contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

The Group determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

31 Commitments and contingent liabilities

As at 31 December 2015, the Group had:

- (a) The purchase and installation of machinery and equipment of Baht 3,664 million (2014: Baht 3,403 million).
- (b) The purchase of raw material of Baht 51 million (2014: Baht 75 million).

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

- (c) Outstanding forward exchange contracts for foreign currencies against Thai Baht as follows:

	Contract amount			
	Currency		Equivalent to Baht	
	2015	2014	2015	2014
	(in million)		(in million Baht)	
US Dollars	8	8	302	271
Euro	14	45	545	1,975
Yuan	9	-	49	-
Yen	333	265	99	81
Total			995	2,327

The above contracts are due within April 2017 (2014: due within January 2016).

- (d) Contingent liability for letter of guarantees issued by local banks for the Group to government organisations of Baht 43 million (2014: Baht 74 million).
- (e) Contingent liability for loan guarantees issued by a local bank for the Group to associate which limit is not exceed Baht 495 million.

32 Capital management

The management of the Group has the capital management policy for which to maintain a strong capital base by emphasis in planning and determining the operating strategies resulting in good business's performance and sustain good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustain future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

33 Others

In the fourth quarter of 2013, the Company has signed agreement with Nippon Paper Industries Company Limited (NPI), company incorporated in Japan, to form a strategic joint venture of Fibrous Chain. This joint venture will involve NPI's equity injection for a 30% stake in SCG Packaging Group's Fibrous Chain. During 2014, the Company has restructured the Fibrous Chain by selling the investments and assets related to Fibrous Chain to Phoenix Pulp & Paper Public Company Limited (PPPC) which is a subsidiary of the Company. About this restructuring and joint venture with NPI, PPPC has increased its registered share capital amounted to Baht 8,218 million during 2014. The Company, NPI and minority shareholders invested by Baht 4,879 million, Baht 3,328 million and Baht 11 million, respectively. As a result, the Company and NPI have a shareholding percentage in PPPC as 76.48% and 22.13%, respectively. And PPPC will call the remaining of share capital amounting to Baht 1,748 million within the second quarter of 2016.

34 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 27 January 2016, the directors approved to submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2015 at the rate of Baht 5.00 per share, amounting to Baht 782 million and is scheduled for payment on 27 April 2016. The dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2016.

35 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Group has not adopted the revised TFRSs that have been issued but are not yet effective. The revised TFRSs will become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table:

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

TFRS	Topic	Effective Year
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

TFRS	Topic	Effective Year
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016

Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries
(Formerly: SCG Paper Public Company Limited and its Subsidiaries)
For the year ended 31 December 2015

TFRS	Topic	Effective Year
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016

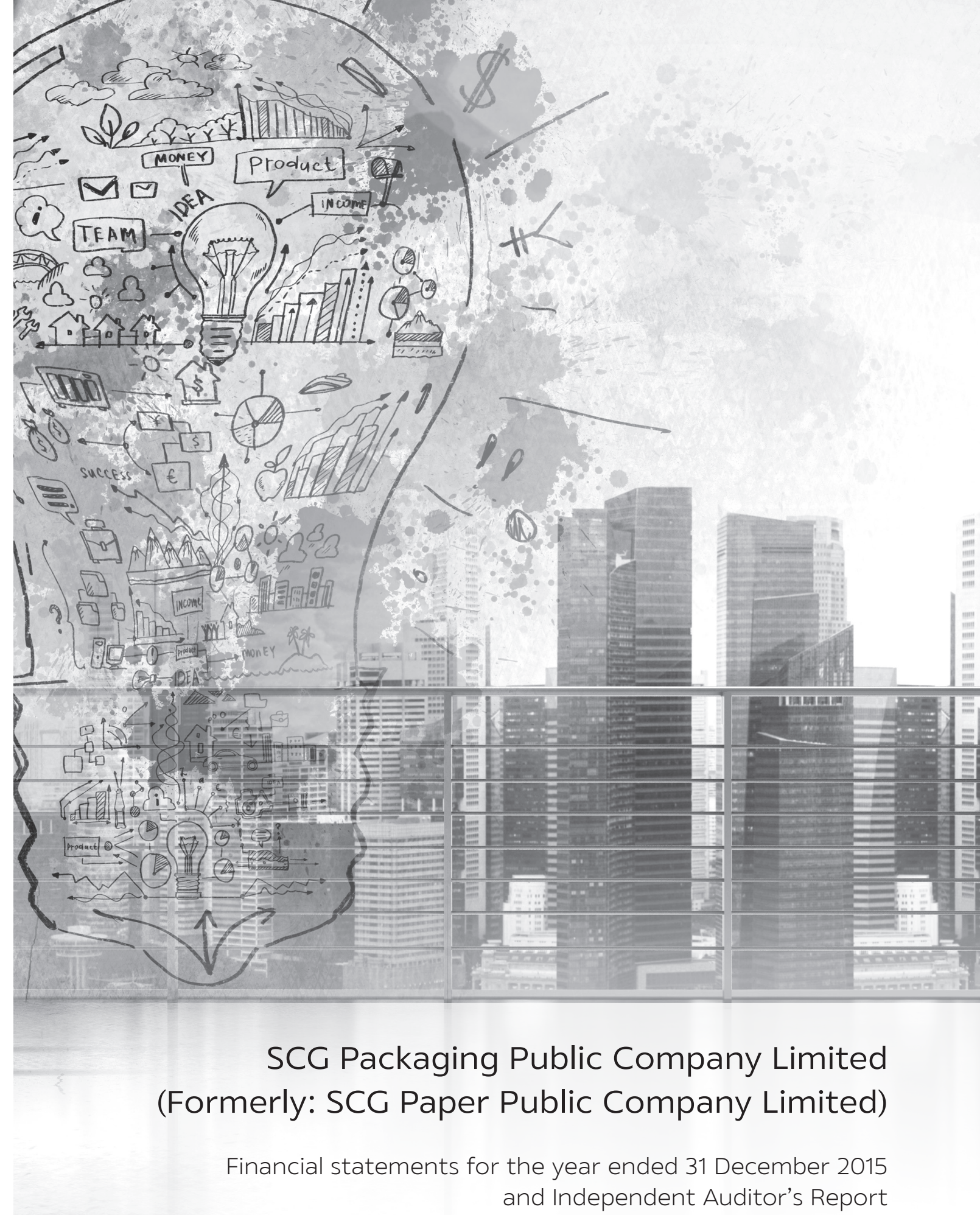
Notes to the financial statements

SCG Packaging Public Company Limited and its Subsidiaries

(Formerly: SCG Paper Public Company Limited and its Subsidiaries)

For the year ended 31 December 2015

Management has made a preliminary assessment of the potential initial impact on the Group's consolidated financial statements of the revised TFRSs and expects that there will be no material impact on the consolidated financial statements in the period of initial application.



SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)

Financial statements for the year ended 31 December 2015
and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)

I have audited the accompanying financial statements of SCG Packaging Public Company Limited (formerly: SCG Paper Public Company Limited) (the "Company"), which comprise the statement of financial position as at 31 December 2015, the income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Thanyalux Keadkeaw)

Certified Public Accountant

Registration No. 8179

KPMG Phoomchai Audit Ltd.

Bangkok

24 February 2016

Statement of financial position

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

As at 31 December 2015

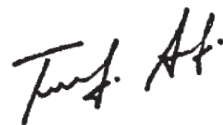
Assets	Note	2015	2014
		(in thousand Baht)	
Current assets			
Cash and cash equivalents		6,609	4,836
Other receivables	4, 5	146,218	189,709
Short-term loans to related parties	4	9,656,261	8,794,779
Inventories	6	-	1,287
Other current assets		34,538	30,851
Total current assets		9,843,626	9,021,462
Non-current assets			
Investments in associates	8	350,121	350,121
Investments in subsidiaries	9	25,963,984	26,018,344
Investment properties	10	210,510	208,954
Property, plant and equipment	11	261,771	255,441
Intangible assets	12	20,136	16,417
Deferred tax assets	13	15,877	19,202
Other non-current assets	9	101,965	1,595
Total non-current assets		26,924,364	26,870,074
Total assets		36,767,990	35,891,536

For and on behalf of the Board of Directors



(Roongrote Rangsiyopash)

Chairman



(Tanawong Areeratchakul)

Vice-Chairman and President

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

Statement of financial position

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

As at 31 December 2015

Liabilities and shareholders' equity	Note	2015	2014
		(in thousand Baht)	
Current liabilities			
Bank overdrafts		-	257
Trade and other payables	4, 14, 15	68,373	71,653
Short-term loans from related parties	4	12,847,881	12,291,497
Income tax payable		1,262	-
Short-term provisions		10,444	5,882
Other current liabilities		32,757	33,509
Total current liabilities		12,960,717	12,402,798
Non-current liabilities			
Employee benefit obligations	16	77,877	64,893
Other non-current liabilities		3,901	4,032
Total non-current liabilities		81,778	68,925
Total liabilities		13,042,495	12,471,723

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

Statement of financial position

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

As at 31 December 2015

Liabilities and shareholders' equity	Note	2015	2014
		(in thousand Baht)	
Shareholders' equity			
Share capital	17		
<i>Authorised share capital</i>			
- Ordinary share		1,563,000	1,563,000
<i>Issued and paid-up share capital</i>			
- Ordinary share		1,563,000	1,563,000
Share premium	18	1,935,000	1,935,000
Retained earnings			
<i>Appropriated</i>			
Legal reserve	18	156,300	156,300
General reserve		3,000	3,000
<i>Unappropriated</i>		20,068,195	19,762,513
Total shareholders' equity		23,725,495	23,419,813
Total liabilities and shareholders' equity		36,767,990	35,891,536

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

Income Statement

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

	Note	2015	2014
		(in thousand Baht)	
Continuing operations			
Dividends income	4, 8, 9	891,410	896,668
Net gain from business restructuring	4, 7, 9	-	316,719
Other income	4, 9	431,575	125,426
Total revenue before expenses		1,322,985	1,338,813
Loss on exchange rate		23	32
Administrative expenses	4, 19	34,141	28,960
Total expenses		34,164	28,992
Profit before finance costs and income tax expense		1,288,821	1,309,821
Finance costs	4	156,594	141,611
Profit before income tax expense		1,132,227	1,168,210
Income tax expense	21	47,718	51,099
Profit from continuing operations		1,084,509	1,117,111
Discontinued operation			
Profit from discontinued operation, net of income tax	7	-	18,772
Profit for the year		1,084,509	1,135,883
Basic earnings per share (in Baht)	22	6.94	7.27

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

Statement of comprehensive income

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

	Note	2015 (in thousand Baht)	2014
Profit for the year		1,084,509	1,135,883
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (losses)	16	3,334	(150)
Income tax on other comprehensive income relating to items that will not be reclassified	21	(661)	30
Other comprehensive income for the year, net of income tax		2,673	(120)
Total comprehensive income for the year		1,087,182	1,135,763

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

Statement of changes in shareholders' equity

SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

	Note	Issued and paid-up share capital	Share premium	Retained earnings			Total shareholders' equity
				Appropriated	General reserve	Unappropriated	
				Legal reserve	(in thousand Baht)		
Balance at 1 January 2014		1,563,000	1,935,000	156,300	3,000	19,408,250	23,065,550
Transactions with owners, recorded directly in shareholders' equity							
Dividends	23	-	-	-	-	(781,500)	(781,500)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(781,500)	(781,500)
Comprehensive income for the year							
Profit or loss		-	-	-	-	1,135,883	1,135,883
Other comprehensive income		-	-	-	-	(120)	(120)
Total comprehensive income for the year		-	-	-	-	1,135,763	1,135,763
Balance at 31 December 2014		1,563,000	1,935,000	156,300	3,000	19,762,513	23,419,813

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

Statement of changes in shareholders' equity

SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)
For the year ended 31 December 2015

	Note	Issued and paid-up share capital	Share premium	Retained earnings			Total shareholders' equity
				Appropriated			
				Legal reserve	General reserve	Unappropriated	
				(in thousand Baht)			
Balance at 1 January 2015		1,563,000	1,935,000	156,300	3,000	19,762,513	23,419,813
Transactions with owners, recorded directly in shareholders' equity							
Dividends	23	-	-	-	-	(781,500)	(781,500)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(781,500)	(781,500)
Comprehensive income for the year							
Profit or loss		-	-	-	-	1,084,509	1,084,509
Other comprehensive income		-	-	-	-	2,673	2,673
Total comprehensive income for the year		-	-	-	-	1,087,182	1,087,182
Balance at 31 December 2015		1,563,000	1,935,000	156,300	3,000	20,068,195	23,725,495

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

Statement of cash flows

SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)
For the year ended 31 December 2015

	2015	2014
	(in thousand Baht)	
Cash flows from operating activities		
Profit for the year	1,084,509	1,135,883
Adjustments for		
Depreciation and amortisation	34,972	40,497
Interest income	(445,328)	(501,153)
Interest expense	601,696	642,542
Unrealised losses (gains) on foreign currency exchange	297	(1,123)
Reversal of allowance for decline in value of inventories	(3,510)	(310)
Impairment losses on property, plant and equipment (reversal)	(5,766)	5,766
Gain on return of investment	-	(836)
Disposal of intangible assets	3,071	-
Losses (gains) on sales of property, plant and equipment	2,102	(432)
Gains on sales of intangible assets	-	(5)
Employee benefit expense	28,535	7,889
Reversal of employee benefit expense of transferred employees	-	(13,348)
Gain on sales of investment in subsidiary	(302,087)	-
Net gain from business restructuring	-	(316,719)
Dividends income	(891,410)	(896,668)
Income tax expense	47,718	55,792
Profit provided by operating activities before changes in operating assets and liabilities	154,799	157,775
Decrease (increase) in operating assets		
Other receivables	42,870	187,923
Inventories	4,797	83,515
Other current assets and other non-current assets	(19,059)	12,552
Net decrease in operating assets	28,608	283,990

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

Statement of cash flows

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>		
Trade and other payables	259	(135,912)
Employee benefit obligations	(7,655)	(3,165)
Other current liabilities and other non-current liabilities	(883)	3,925
Net decrease in operating liabilities	(8,279)	(135,152)
Cash generated from the operations	175,128	306,613
Income tax paid	(44,669)	(22,176)
Net cash provided by operating activities	130,459	284,437
<i>Cash flows from investing activities</i>		
Interest received	445,704	504,642
Dividends received	891,410	896,668
Increase in investments in shares	(181,089)	(551,201)
Proceeds from business restructuring	-	7,418,206
Net cash outflow from business restructuring	-	(8,663,302)
Income tax from business restructuring	-	(64,237)
Proceeds from return of investment	-	836
Proceeds from sales of investment in subsidiary	453,415	-
Purchases of property, plant and equipment	(62,293)	(102,719)
Purchases of intangible assets	(11,353)	(3,541)
Proceeds from sales of property, plant and equipment	25,217	36,356
Proceeds from sales of intangible assets	-	21
Increase in short-term loans to related parties	(31,229,064)	(35,694,747)
Collection of short-term loans to related parties	30,367,582	38,920,057
Net cash provided by investing activities	699,529	2,697,039

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

Statement of cash flows

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>		
Interest paid	(602,842)	(644,111)
Dividends paid	(781,500)	(781,500)
(Decrease) increase in bank overdrafts	(257)	257
Increase (decrease) in short-term loans from related parties	556,384	(1,556,138)
Net cash used in financing activities	(828,215)	(2,981,492)
Net increase (decrease) in cash and cash equivalents	1,773	(16)
Cash and cash equivalents at beginning of the year	4,836	4,852
Cash and cash equivalents at end of the year	6,609	4,836

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



Notes to the financial statements

SCG Packaging Public Company Limited
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Notes to the financial statements

SCG Packaging Public Company Limited
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorised for issue by the management on 24 February 2016.

1 General information

SCG Packaging Public Company Limited (formerly: SCG Paper Public Company Limited), the “Company”, is a company incorporated in Thailand.

The head office of the Company is located at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It was incorporated in Thailand.

The Company is engaged in investment. During 2014, the Company sold the pulp production business to a related party as disclosed in note 7.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); guidelines promulgated by the Federation of Accounting Professions (“FAP”).

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company. However, TFRS 13 “Fair Value Measurement” establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Company has included additional disclosures in notes 10 and 24.

Notes to the financial statements

SCG Packaging Public Company Limited
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In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial statements beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRSs are disclosed in note 28.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material item in the statements of financial position; the present value of the defined benefit obligation.

(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 presented in Thai Baht has been rounded in the notes to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRSs 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 5, 6, 7, 8, 9, 10, 11 and 12	Measurement of the recoverable amounts of each asset and cash-generating units containing goodwill
Note 13 and 21	Current and deferred tax
Note 16	Discount rate, salary increase rate, employee turnover rate and mortality rate

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

Measurement of fair values

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

The Company 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 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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable 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 that the entity can access at the measurement date.
- 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 are unobservable inputs for the asset or liability.

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

Notes to the financial statements

SCG Packaging Public Company Limited

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

- Note 10 Investment properties
- Note 24 Financial instruments

3 Significant accounting policies

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

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to functional currency at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

(b) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Notes to the financial statements

SCG Packaging Public Company Limited
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(c) Trade and other receivables

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

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

Bad debts recovered are recognised in other income in profit or loss

(d) Inventories

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

Cost of spare parts, store supplies and others are at average cost.

(e) Investments

Investments in subsidiaries and associates are accounted for using the cost method less any accumulated impairment losses.

(f) Investment properties

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

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalised borrowing costs.

Notes to the financial statements

SCG Packaging Public Company Limited
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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvement	20 years
Building and structures	5, 20 years

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 asset to the location and condition necessary for it to be capable of operating 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 assumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an 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 net within income or expense in profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognised and reclassified as investment properties.

Notes to the financial statements

SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)
For the year ended 31 December 2015

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 Company, 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.

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:

Land improvements	20 years
Building and structures	5, 20 years
Machinery and equipment	5-20 years
Furniture, fixtures and office equipment	3-20 years
Transportation equipment	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

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

Notes to the financial statements

SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)
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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 calculated 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 are as follows:

Software licenses	3-10 years
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No amortisation is provided on assets under development.

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

(i) Impairment

The carrying amounts of the Company’s assets are reviewed at the end of each reporting period 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.

Notes to the financial statements

SCG Packaging Public Company Limited

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Calculation of recoverable amount

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.

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 other non-financial assets are assessed at each reporting period 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 accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

(j) Trade and other payables

Trade and other payables are stated at cost.

(k) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Company's 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.

Notes to the financial statements

SCG Packaging Public Company Limited

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For the year ended 31 December 2015

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 in OCI. The Company 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 Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

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 Company 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.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be

Notes to the financial statements

SCG Packaging Public Company Limited

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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 finance cost.

(m) Revenue

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

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 recognised as services are provided on the basis of stage of completion.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease agreements. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest and dividends income

Interest income is recognised in profit or loss using the effective interest method. Dividends income is recognised in profit or loss on the date the Company's right to receive payments is established.

(n) Expenses

Operating lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of lease.

Notes to the financial statements

SCG Packaging Public Company Limited

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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.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(o) 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 items recognised directly in equity or in other comprehensive income.

Current tax

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

Deferred tax

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. 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 end of the reporting period.

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

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company 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.

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. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) *Discontinued operations*

A discontinued operation is a component of the Company’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of income is restated as if the operation had been discontinued from the start of the comparative period.

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4 Related parties

Parties are considered to be related to the Company if the Company 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.

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Kraft Industry Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Pulp & Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Cane Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Containers Group Co., Ltd.	Thailand	Subsidiary, direct ownership interest
InfoZafe Co., Ltd.	Thailand	Subsidiary, direct ownership interest
United Pulp and Paper Co., Inc.	Philippines	Subsidiary, direct ownership interest
SCGP Excellence Training Center Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCG Paper Energy Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Utilities Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Khonkaen Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Rayong Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
The Siam Forestry Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Paper Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Union Paper Public Company Limited	Thailand	Subsidiary, indirect ownership interest
Siam Cellulose Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Wanabhum Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Siam Panawes Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaboon Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaram Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Panas Nimit Co., Ltd.	Thailand	Subsidiary, indirect ownership interest

Notes to the financial statements

SCG Packaging Public Company Limited

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Name of entities	Country of incorporation / nationality	Nature of relationships
Suanpa Rungsris Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panadorn Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panason Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Tawana Container Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Dyna Packs Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Orient Containers Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
TC Flexible Packaging Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
D-In Pack Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Prepack Thailand Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Vina Kraft Paper Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
New Asia Industries Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Alcamax Packaging (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
AP Packaging (Hanoi) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Packamex (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Tin Thanh Packing Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
TCG Rengo (S) Limited	Singapore	Subsidiary, indirect ownership interest
Paperlink Inter-Trade Corporation	Philippines	Subsidiary, indirect ownership interest
PT Primacorr Mandiri	Indonesia	Subsidiary, indirect ownership interest
PT Indoris Printingdo	Indonesia	Subsidiary, indirect ownership interest
Siam Toppan Packaging Co., Ltd.	Thailand	Associate, direct ownership interest
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
Rengo Packaging Malaysia Sdn. Bhd.	Malaysia	Associate, indirect ownership interest
Thai British Security Printing Public Company Limited	Thailand	Common directors
Thai British Depost Co., Ltd.	Thailand	Common directors
Thai British Security Printing Overseas Co., Ltd.	Thailand	Common directors

Notes to the financial statements

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For the year ended 31 December 2015

Significant transactions for the years ended 31 December with related parties were as follows:

	2015 <i>(in thousand Baht)</i>	2014	Pricing Policies
<i>Parent</i>			
Rental and service expense	56,189	50,273	Contract rate and market price
Interest expense	601,511	642,431	Contract rate
<i>Subsidiaries</i>			
Sale of goods	-	232,393	Market price
Purchases	-	158,407	Market price
Rental income (*)	31,578	31,670	Contract rate
Management fee income	92,658	92,209	Percentage of net sales
Dividends income (*)	882,468	891,449	Upon declaration
Net gain from business restructuring	-	316,719	Valuation price and net book value
Gain on return of investment	-	836	Net book value
Interest income	445,328	501,131	Contract rate
Interest expense	185	94	Contract rate
<i>Associates</i>			
Dividends income	8,942	5,219	Upon declaration

The Company presented interest expense amounted to Baht 602 million *(2014: Baht 643 million)* arose from loans to related parties net of interest income amounted to Baht 445 million *(2014: Baht 501 million)* arose from loans from related parties and included as a part of finance costs in profit or loss.

* Significant transactions which are rental income amounting to Baht 4.61 million and dividend income amounting to Baht 46.55 million with Thai British Security Printing Public Company Limited during 1 January 2015 to 20 November 2015 (the date of SCG Packaging Public Company Limited sold the investment in the proportion of 32% and remaining in the proportion of 17.79%.)

Notes to the financial statements

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

Receivables from related parties

	2015	2014
	<i>(in thousand Baht)</i>	
Siam Kraft Industry Co., Ltd.	53,424	48,968
Thai Containers Group Co., Ltd.	15,911	16,967
Thai Paper Co., Ltd.	15,688	24,420
Phoenix Pulp & Paper Public Company Limited	13,502	27,134
Vina Kraft Paper Co., Ltd.	8,415	22,336
Siam Cellulose Co., Ltd.	8,357	6,359
Thai Cane Paper Public Company Limited	4,686	1,478
Thai Union Paper Public Company Limited	2,337	2,402
SCGP Excellence Training Center Co., Ltd.	1,127	2,519
United Pulp and Paper Co., Inc.	125	1,158
Others	4,532	10,069
Total	128,104	163,810

Short-term loans to related parties

	2015	2014
	<i>(in thousand Baht)</i>	
Notes receivable (Interest rate 4.25% to 4.75% per annum in 2015 and 4.75% per annum in 2014)		
Siam Kraft Industry Co., Ltd.	5,869,400	2,716,961
Thai Containers Group Co., Ltd.	3,778,634	3,412,214
Phoenix Pulp & Paper Public Company Limited	-	2,650,221
Others	8,227	15,383
Total	9,656,261	8,794,779

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

Movements during the years on short-term loans to related parties were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	8,794,779	12,020,089
Increase	31,229,064	35,694,747
Decrease	(30,367,582)	(38,920,057)
At 31 December	9,656,261	8,794,779

Trade payables

	2015	2014
	<i>(in thousand Baht)</i>	
Thai Paper Co., Ltd.	551	345
Others	6,383	6,834
Total	6,934	7,179

Payables to related parties

	2015	2014
	<i>(in thousand Baht)</i>	
The Siam Cement Public Company Limited	21,041	23,341
Siam Kraft Industry Co., Ltd.	3,085	6,864
SCGP Excellence Training Center Co., Ltd.	1,538	5
Thai Paper Co., Ltd.	1,220	509
Thai Containers Group Co., Ltd.	145	167
Others	1,295	730
Total	28,324	31,616

Notes to the financial statements

SCG Packaging Public Company Limited

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Short-term loans from related parties

	2015	2014
	<i>(in thousand Baht)</i>	
Notes payable (Interest rate 0.50% to 4.75% per annum in 2015 and 2014)		
The Siam Cement Public Company Limited	12,785,587	12,247,617
SCG Paper Energy Co., Ltd.	55,327	978
SCGP Excellence Training Center Co., Ltd.	6,967	42,902
Total	12,847,881	12,291,497

Movements during the years on short-term loans from related parties were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	12,291,497	13,847,635
Increase	18,655,979	22,779,522
Decrease	(18,099,595)	(24,335,660)
At 31 December	12,847,881	12,291,497

Key management compensation

	2015	2014
	<i>(in thousand Baht)</i>	
For the years ended 31 December		
Short-term employee benefits	86,982	73,359
Post-employment benefits	8,031	6,669
Total	95,013	80,028

Management compensation comprises of the remuneration paid to the management as staffs expenses in terms of salary, bonus, others and contribution to defined contribution plans.

Notes to the financial statements

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5 Other receivables

	Note	2015	2014
		<i>(in thousand Baht)</i>	
Related parties	4	128,104	163,810
Other parties		18,114	25,899
Total		146,218	189,709

Other receivables as at 31 December were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Allocated expenses	115,475	143,312
Accrued interest income	9,449	9,826
Others	21,294	36,571
Total	146,218	189,709

6 Inventories

	2015	2014
	<i>(in thousand Baht)</i>	
Spare parts, supplies and others	-	4,797
Less allowance for decline in value	-	(3,510)
Net	-	1,287

Inventories recognised as an expense in cost of sales :

Cost of sales	-	224,869
Add reversal of net realisable value	-	310
Total	-	225,179

Changes in inventories of finished goods and goods in process	-	2,638
Raw materials and consumables used	-	151,016

Notes to the financial statements

SCG Packaging Public Company Limited

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For the year ended 31 December 2015

7 Discontinued operation

In February 2014, the Company sold Banpong mill which comprising its entire pulp manufacturing segment to a related party. This segment was not a discontinued operation or classified as held for sale as at 31 December 2013. The comparative statement of income has been represented the discontinued operation separately from continuing operations.

For the period/year ended 31 December

	Note	2014
		<i>(in thousand Baht)</i>
Results of discontinued operation		
Revenue		251,572
Expenses		228,107
Profit from discontinued operation		23,465
Income tax		4,693
Profit from discontinued operation, net of income tax		18,772
Basic earnings per share <i>(in Baht)</i>	22	0.12
Cash flows from discontinued operation		
Net cash from operating activities		145,660
Net cash from investing activities		713,704
Net cash from discontinued operation		859,364
	31 December 2014	
	<i>(in thousand Baht)</i>	
Effect of disposal on the financial position of the Company		
Property, plant and equipment		(410,349)
Inventories		(83,204)
Trade and other receivables		(174,222)
Trade and other payables		126,200
Net assets and liabilities		(541,575)
Net cash inflow - Consideration received, satisfied in cash		713,704

The Company has gain on sales of property, plant and equipment of Banpong mill amounted to Baht 304 million in 2014.

Notes to the financial statements

SCG Packaging Public Company Limited

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For the year ended 31 December 2015

8 Investments in associates

Investments in associates as at 31 December and dividends income from the investments in the years ended at the same date were as follows:

	Ownership interest		Paid-up capital		Cost method		Dividends	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(%)</i>				<i>(in thousand Baht)</i>			
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	8,942	5,219
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-
Total			762,588	762,588	350,121	350,121	8,942	5,219

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

9 Investments in subsidiaries

Movements for the years ended 31 December on investments were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	26,018,344	23,347,339
Acquisitions and additional investments	181,089	9,411,756
Disposal	(151,328)	(6,740,751)
Change in status of subsidiary	(84,121)	-
At 31 December	<u>25,963,984</u>	<u>26,018,344</u>

In 2015, the Company had purchased more shares from the shareholders of Thai Cane Paper Public Company Limited at Baht 20.10 per share totally 5,500,000 shares. As the result, the Company’s ownership increases from 93% to 94.54%.

In November 2015, the Company has paid first subscribe the share capital increase of SCG Paper Energy Co., Ltd. totally 1,490,000 shares at Baht 47 totally Baht 70 million.

On 20th November 2015, the Company sold ordinary shares of Thai British Security Printing Public Company Limited in the proportion 32% of the Company’s paid-in capital to Miss Suthida Mongkolsuthi which received gain from selling ordinary shares amounting to Baht 302 million, remaining ordinary shares are 17.79% of the company’s paid-in capital effected Thai British Security Printing Public Company Limited is not a subsidiary of the Company.

Notes to the financial statements
SCG Packaging Public Company Limited
(Formerly: SCG Paper Public Company Limited)
For the year ended 31 December 2015

Investments in subsidiaries as at 31 December and dividends income from the investments during the years ended at the same date were as follows:

	Ownership interest		Paid-up capital		Cost method		Accumulated impairment losses		Cost method - net		Dividends	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	100		3,450,000		3,982,680		-		3,982,680		362,250	
Siam Kraft Industry Co., Ltd.	100	100	3,450,000	3,450,000	3,982,680	3,982,680	-	-	3,982,680	3,982,680	362,250	362,250
Thai Containers Group Co., Ltd.	70	70	1,384,000	1,384,000	1,013,805	1,013,797	-	-	1,013,805	1,013,797	105,599	106,568
InfoZafe Co., Ltd.	100	100	70,200	70,200	70,200	70,200	64,035	64,035	6,165	6,165	-	-
Phoenix Pulp & Paper Public Company Limited	76.48	76.48	2,206,338	2,206,338	13,197,260	13,197,260	-	-	13,197,260	13,197,260	68,207	68,233
United Pulp and Paper Co., Inc.	77.33	77.33	4,327,982	4,327,982	2,963,899	2,963,899	-	-	2,963,899	2,963,899	-	-
Thai Cane Paper Public Company Limited	94.54	93	3,582,537	3,582,537	4,680,145	4,569,094	-	-	4,680,145	4,569,094	299,860	283,201
Thai British Security Printing Public Company Limited	-	49.79	-	110,000	-	235,449	-	-	-	235,449	46,552	71,197
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	49,000	49,000	-	-
SCG Paper Energy Co., Ltd.	100	100	71,030	1,000	71,030	1,000	-	-	71,030	1,000	-	-
Total			<u>15,141,087</u>	<u>15,181,057</u>	<u>26,028,019</u>	<u>26,082,379</u>	<u>64,035</u>	<u>64,035</u>	<u>25,963,984</u>	<u>26,018,344</u>	<u>882,468</u>	<u>891,449</u>

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

10 Investment properties

	Land	Land improvements	Buildings	Total
	(in thousand Baht)			
Cost				
At 1 January 2014	178,997	27,497	36,993	243,487
Transfer from (to) property, plant and equipment	925	(1,345)	-	(420)
At 31 December 2014	179,922	26,152	36,993	243,067
Transfer from property, plant and equipment	3,430	-	-	3,430
At 31 December 2015	183,352	26,152	36,993	246,497
Accumulated depreciation				
At 1 January 2014	-	27,492	6,086	33,578
Depreciation charge for the year	-	-	1,880	1,880
Transfer to property, plant and equipment	-	(1,345)	-	(1,345)
At 31 December 2014	-	26,147	7,966	34,113
Depreciation charge for the year	-	-	1,874	1,874
At 31 December 2015	-	26,147	9,840	35,987
Carrying amount				
At 31 December 2014	179,922	5	29,027	208,954
At 31 December 2015	183,352	5	27,153	210,510

Investment properties comprise a number of commercial properties that are leased to related parties.

Investment properties were revalued as at 31 December 2015 at open market values on an existing use basis. The appraised value was Baht 412 million.

The fair value measurement for investment properties have been categorised as a Level 3 fair value based on the inputs, which is income approach to the valuation technique used.

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

11 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
	(in thousand Baht)						
Cost							
At 1 January 2014	87,855	278,596	1,876,234	87,943	31,951	144,246	2,506,825
Additions	-	13,156	33,190	3,768	-	57,542	107,656
Disposals / written-off	(45,836)	(162,486)	(1,680,909)	(34,521)	(29,454)	(116,034)	(2,069,240)
Transfers in (out)	376	32,138	5,572	5,022	-	(43,108)	-
Transfer from investment properties	420	-	-	-	-	-	420
At 31 December 2014	42,815	161,404	234,087	62,212	2,497	42,646	545,661
Additions	12	1,442	14,412	3,790	-	42,636	62,292
Disposals / written-off	-	(38,028)	(369)	(6,239)	(1,606)	(23,384)	(69,626)
Transfers in (out)	23,653	-	1,195	397	-	(25,245)	-
Transfer to investment properties	(3,430)	-	-	-	-	-	(3,430)
At 31 December 2015	63,050	124,818	249,325	60,160	891	36,653	534,897

Notes to the financial statements

SCG Packaging Public Company Limited
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For the year ended 31 December 2015

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
<i>(in thousand Baht)</i>							
Accumulated depreciation and accumulated impairment losses							
At 1 January 2014	49,380	183,077	1,537,483	71,016	29,941	-	1,870,897
Depreciation charge for the year	158	11,668	18,425	1,434	409	-	32,094
Impairment losses	-	-	-	5,766	-	-	5,766
Disposals / written-off	(39,044)	(106,283)	(1,419,634)	(25,467)	(29,454)	-	(1,619,882)
Transfer from investment properties	1,345	-	-	-	-	-	1,345
At 31 December 2014	11,839	88,462	136,274	52,749	896	-	290,220
Depreciation charge for the year	-	6,631	15,351	6,372	181	-	28,535
Reversal of impairment losses	-	-	-	(5,766)	-	-	(5,766)
Disposals / written-off	-	(32,539)	(369)	(6,076)	(879)	-	(39,863)
At 31 December 2015	11,839	62,554	151,256	47,279	198	-	273,126

Notes to the financial statements

SCG Packaging Public Company Limited
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For the year ended 31 December 2015

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Construction in progress, and machinery and equipment under installation	Total
<i>(in thousand Baht)</i>							
Carrying amount							
At 31 December 2014	30,976	72,942	97,813	9,463	1,601	42,646	255,441
At 31 December 2015	51,211	62,264	98,069	12,881	693	36,653	261,771

In 2014, the Company sold its pulp production business as disclosed in note 7.

The gross carrying amount of fully depreciated property, plant and equipment was still in use amounted to Baht 183 million as at 31 December 2015
(2014: Baht 238 million).

Notes to the financial statements

SCG Packaging Public Company Limited

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For the year ended 31 December 2015

12 Intangible assets

	Software licenses	Development Cost <i>(in thousand Baht)</i>	Total
Cost			
At 1 January 2014	57,076	2,919	59,995
Additions	1,829	1,712	3,541
Disposals / written-off	(2,171)	-	(2,171)
Transfer in (out)	1,620	(1,620)	-
At 31 December 2014	58,354	3,011	61,365
Additions	1,637	9,716	11,353
Disposals / written-off	(3,705)	-	(3,705)
Transfer in (out)	3,069	(3,069)	-
At 31 December 2015	59,355	9,658	69,013
Accumulated amortisation			
At 1 January 2014	40,524	-	40,524
Amortisation charge for the year	6,523	-	6,523
Disposals / written-off	(2,099)	-	(2,099)
At 31 December 2014	44,948	-	44,948
Amortisation charge for the year	4,563	-	4,563
Disposals / written-off	(634)	-	(634)
At 31 December 2015	48,877	-	48,877
Carrying amount			
At 31 December 2014	13,406	3,011	16,417
At 31 December 2015	10,478	9,658	20,136

Notes to the financial statements

SCG Packaging Public Company Limited

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13 Deferred tax assets

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

		Credited (charged) to other		
	At 1 January 2014	profit or loss	comprehensive income <i>(Note 21)</i> <i>(in thousand Baht)</i>	At 31 December 2014
Inventories	764	(62)	-	702
Property, plant and equipment	-	1,153	-	1,153
Employee benefit obligations	15,849	(1,929)	30	13,950
Others	3,397	-	-	3,397
Total	20,010	(838)	30	19,202
		Credited (charged) to other		
	At 1 January 2015	profit or loss	comprehensive income <i>(Note 21)</i> <i>(in thousand Baht)</i>	At 31 December 2015
Inventories	702	(702)	-	-
Property, plant and equipment	1,153	(1,153)	-	-
Employee benefit obligations	13,950	2,588	(661)	15,877
Others	3,397	(3,397)	-	-
Total	19,202	(2,664)	(661)	15,877

Notes to the financial statements

SCG Packaging Public Company Limited
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14 Trade and other payables

	Note	2015	2014
		(in thousand Baht)	
Trade payables			
Related parties	4	6,934	7,179
Other parties		16,344	12,954
		<u>23,278</u>	<u>20,133</u>
Other payables	15		
Related parties	4	28,324	31,616
Other parties		16,771	19,904
		<u>45,095</u>	<u>51,520</u>
Total		<u>68,373</u>	<u>71,653</u>

15 Other payables

	2015	2014
	(in thousand Baht)	
Allocated expenses	28,324	31,616
Accrued expenses	881	6,152
Others	15,890	13,752
Total	<u>45,095</u>	<u>51,520</u>

16 Employee benefit obligations

The Company operates post employment benefit based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

Notes to the financial statements

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Employee benefit obligations in statement of financial position as at 31 December

	2015	2014
	(in thousand Baht)	
Post-employment benefits - legal severance payments plan	73,656	60,945
Other long-term employee benefits	3,852	3,594
Other employee benefits	369	354
Total	<u>77,877</u>	<u>64,893</u>

Movement in the present value of the defined benefit obligations

	2015	2014
	(in thousand Baht)	
Defined benefit obligations at 1 January	64,539	73,631
Include in profit or loss		
Current service costs	4,387	3,752
Interest on obligation	3,040	2,442
Actuarial gains	(2,074)	(132)
Employee benefit expense of transferred employees (reversal)	18,605	(13,348)
	<u>23,958</u>	<u>(7,286)</u>
Included in other comprehensive income		
Actuarial (gains) losses	(3,334)	150
Other		
Benefits paid	(7,655)	(1,956)
Defined benefit obligations at 31 December	<u>77,508</u>	<u>64,539</u>

Notes to the financial statements

SCG Packaging Public Company Limited

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Actuarial gains and losses recognised in other comprehensive income as of the end of the reporting period arising from:

	(in thousand Baht)
For the years ended 31 December 2015	
Demographic assumptions	(54,240)
Financial assumptions	6,288
Experience adjustment	44,618
Total	(3,334)

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2015	2014
	(%)	
For the year ended 31 December		
Discount rate *	3.09	3.79
Salary increase rate	3.00 - 9.00	3.00 - 8.70
Employee turnover rate **	4.00 - 15.50	3.00 - 16.00
Mortality rate ***	100.00 of TMO2008	25.00 of TMO2008

* Legal severance payments plan

** Upon the length of service

*** Reference from TMO2008: Thai Mortality Ordinary Table 2008

Sensitivity analysis

Reasonably possible changes at the end of 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.

Notes to the financial statements

SCG Packaging Public Company Limited

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Effect on the defined benefit plans at 31 December 2015

	Increase (decrease) (in thousand Baht)
Discount rate	
0.50% increase	(3,503)
0.50% decrease	3,784
Salary increase rate	
1.00% increase	7,605
1.00% decrease	(6,660)
Employee turnover rate	
10.00% increase	(5,363)
10.00% decrease	5,955

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.

17 Share capital

	Par Value (in Baht)	2015 Number of shares Value (thousand shares / thousand Baht)	2014 Number of shares Value
Authorised			
At 1 January			
- ordinary share	10	156,300	156,300
At 31 December			
- ordinary share	10	156,300	156,300
Issued and paid-up			
At 1 January			
- ordinary share	10	156,300	156,300
At 31 December			
- ordinary share	10	156,300	156,300

Notes to the financial statements

SCG Packaging Public Company Limited

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18 Reserves

Share premium

Section 51 of the Public Companies 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 (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies 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 (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

19 Administrative expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Salary, welfare and personnel expenses	25,329	20,955
Rent and depreciation	2,788	2,605
Professional fees	1,295	1,097
Others	4,729	4,303
Total	34,141	28,960

20 Employee benefit expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Salaries and wages	586,550	465,233
Defined benefit plans and other long-term employee benefits	23,958	6,062
Defined contribution plans	41,315	32,057
Others	59,947	57,435
Total	711,770	560,787

Notes to the financial statements

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The defined contribution plans comprise provident funds established by the Company for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 13% of their basic salaries and by the Company at 5% to 13% of the members’ basic salaries, depending on the length of employment.

21 Income tax expense

Income tax recognised in profit or loss

	Note	2015	2014
		<i>(in thousand Baht)</i>	
Current tax			
Current tax		45,931	57,232
Over provided in prior years		(877)	(2,111)
		45,054	55,121
Deferred tax expense			
Movements in temporary differences	13	2,664	671
		2,664	671
Total		47,718	55,792

	Note	2015	2014
		<i>(in thousand Baht)</i>	
<i>Attributable to:</i>			
Income tax expense from continuing operations		47,718	51,099
Income tax expense from discontinued operation	7	-	4,693
Total income tax expense		47,718	55,792

Income tax expense recognised in other comprehensive income

	2015	2014
	<i>(in thousand Baht)</i>	
Actuarial gains (losses)	661	(30)

Notes to the financial statements

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Reconciliation of effective tax rate

	2015		2014	
	Rate	(in thousand Baht)	Rate	(in thousand Baht)
	(%)		(%)	
Profit before income tax expense	20	1,132,226	20	1,191,675
Income tax using the Thai corporation tax rate		226,445		238,335
<i>Tax effected from;</i>				
Income not subject to tax		(180,222)		(180,282)
Additional expenses deductible for tax purposes		(5,348)		(4,994)
Expenses not deductible for tax purposes		5,056		4,173
Current tax		45,931		57,232
Over provided in prior years		(877)		(2,111)
Movement in temporary differences		2,664		671
Income tax expense	4.21	47,718	4.68	55,792

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% of net taxable profit for the accounting period which begins on or after 1 January 2015.

The Company has applied a tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014, based upon FAP's clarification of reduction in the corporate income tax rate in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

22 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 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 follow:

	2015			2014		
	Continuing Operations	Discontinued Operation	Total	Continuing Operations	Discontinued Operation	Total
		(Note 7)			(Note 7)	
<i>(in thousand Baht / thousand shares)</i>						
Profit for the year	1,084,509	-	1,084,509	1,117,111	18,772	1,135,883
Number of ordinary shares outstanding	156,300	-	156,300	156,300	156,300	156,300
Basic earning per share (in Baht)	6.94	-	6.94	7.15	0.12	7.27

23 Dividends

At the annual general meeting of the shareholders of the Company held on 24 March 2014, the shareholders approved the appropriation of dividends of Baht 5.00 per share, amounting to Baht 782 million. The dividend was paid to shareholders during 2014.

At the annual general meeting of the shareholders of the Company held on 23 March 2015, the shareholders approved the appropriation of dividends of Baht 5.00 per share, amounting to Baht 782 million. The dividend was paid to shareholders during 2015.

24 Financial instruments

Liquidity risk

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

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

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Foreign currency risk

The Company's exposure to foreign currency risk relates principally to its receivables and payables which are denominated in foreign currencies. However, as at 31 December 2015 and 2014, the Company does not have material foreign currency risk.

Interest rate risk

Interest rate risk arises from the changing of interest rates, which may effect current and future operations of the Company. Management believes that the interest rate risk is minimal, hence, the Company do not have any hedging agreement to protect such risk.

Fair value

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

25 Lease agreements

- (a) The Company entered into lease agreements with related parties covering the land where its factory and building are located. The term of the lease is up to year 2016 and 2019 with the rental fee of Baht 3.5 million per year.
- (b) The Company entered into lease agreements for computer equipment with local companies. The terms of the leases are up to year 2019 with the rental fees of Baht 4.6 million per year.
- (c) The Company entered into lease agreements for cars with local companies. The terms of the leases are up to year 2019 with the rental fees of Baht 16.4 million per year.

26 Capital management

The management of the Company has the capital management policy for which to maintain a strong capital base by emphasis in planning and determining the operating strategies resulting in good business's performance and sustain good cash flows management. In addition, the Company considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustain future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

27 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 27 January 2016, the directors approved to submit for approval at the Annual General Meeting of the Shareholders, the payment of a dividend for 2015 at the rate of Baht 5 per share, amounting to Baht 782 million on 27 April 2016. The dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2016.

28 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Company has not adopted the revised TFRSs that have been issued but are not yet effective. The revised TFRSs will become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table:

TFRS	Topic	Effective Year
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016

Notes to the financial statements

SCG Packaging Public Company Limited

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For the year ended 31 December 2015

TFRS	Topic	Effective Year
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016

Notes to the financial statements

SCG Packaging Public Company Limited

(Formerly: SCG Paper Public Company Limited)

For the year ended 31 December 2015

TFRS	Topic	Effective Year
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016

Management has made a preliminary assessment of the potential initial impact on the Company's financial statements of the revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

Investment in Subsidiaries, Associates, and Other Companies (As of December 31, 2015)

Name	Principal Business / Products	Location (Head Office / Plant)	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Shareholding * (Percent)
Subsidiaries									
1. Siam Kraft Industry Co., Ltd.	Kraft paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares		34,500,000	34,499,998	100
2. United Pulp & Paper Co., Inc.	Kraft paper	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, the Philippines	(632) 870 0100	(632) 870 0009	Ordinary shares Preferred shares		1,082 3,246	109,995,290 648,244,594	99.70
3. Paperlink Inter-Trade Corporation Co., Ltd.	Kraft paper	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, the Philippines	(632) 870 0100	(632) 870 0009	Ordinary shares		0.74	100,000	99.70
4. Thai Cane Paper Public Company Limited	Kraft paper	222 Moo 1, Saeng Xuto Road, Wanglanai Sub-district, Tha Muang District, Kanchanaburi Province	0 3461 5800	0 3461 5899	Ordinary shares		3,583	358,253,721	94.54
5. Vina Kraft Paper Co., Ltd.	Kraft paper	D-6A-CN, My Phuoc Industrial Park No.3, Ben Cat District, Binh Doung Province, Vietnam	(848) 268 0240-2	(848) 268 0239	**		6,069	-	70
6. Thai Containers Group Co., Ltd.	Corrugated boxes	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary shares		1,384	13,840,000	70
7. Thai Containers Khonkaen Co., Ltd.	Corrugated boxes	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares		150	150,000	70
8. Thai Containers Rayong Co., Ltd.	Corrugated boxes	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares		650	650,000	70
9. TCG Rengo (S) Limited	Corrugated boxes	21, Fourth Chin Bee Road, Singapore	(65) 6261 5846	(65) 6265 3144	Ordinary shares		56	2,400,000	70
10. New Asia Industries Co., Ltd.	Corrugated boxes	Lot B3, Street 2, Binh Chieu Industrial Park, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(848) 3729 4160	(848) 3729 3028	**		345	-	70
11. Alcamax Packaging (Vietnam) Co., Ltd.	Corrugated boxes	No.7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 374 3031	(84) 0650 378 2816	**		607	-	70
12. AP Packaging (Hanoi) Co., Ltd.	Corrugated boxes	Lot 6, Nam Sach Industrial Zone, Ai Quoc and Nam Dong Commune, Hai Duong Province, Vietnam	(84) 0320 375 2862	(84) 0320 375 2868	**		248	-	70
13. Packamex (Vietnam) Co., Ltd.	Flexible packaging	Lot 20A-208, Linh Trung II EP2, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 8729 1030	(84) 8729 1031	**		220	-	70
14. PT Primacor Mandiri	Corrugated boxes	Jl. Raya Serang KM 13.8, Tritate Industrial Estate, Desa Sukadamai, Kecamatan Cikupa, Kabupaten Tangerang, Provinsi Banten, Indonesia	(62) 21 596 2345	(62) 21 594 2000	Ordinary shares		294	101,000	63
15. PT Indoris Printingdo	Corrugated boxes	Jl. Raya Serang KM 18.5, KM Desa Sukanagara, Cikupa, Tangerang, Indonesia	(62) 21 596 0772-3	(62) 21 596 0774	Ordinary shares		55	20,000	63
16. TC Flexible Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary shares		1,877	19,879,194	52.50
17. Dyna Packs Co., Ltd.	Corrugated boxes	297/2 Moo 2 Soi Witroonrat, Sethakit 1 Road, Om-noi Sub-district, Kratum Baen District, Samut Sakhon Province	0 2810 9346-7	0 2810 9103	Ordinary shares		90	900,000	52.50
18. Orient Containers Co., Ltd.	Corrugated boxes	12/5, 12/8 Moo 8 Soi Liabklongchonpratanuansom, Rama II Road, Ban Kho Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 3488 3422-4	0 3488 3421	Ordinary shares		260	26,000,000	52.50
19. D-In Pack Co., Ltd.	Corrugated boxes	58/2 Moo 6 Phra Prathon-Ban Phaeo Road, Talad Jinda Sub-district, Samphan District, Nakhon Pathom Province	0 3498 1401-4	0 3498 1406-7	Ordinary shares		50	5,000	52.50
20. Tawana Container Co., Ltd.	Corrugated boxes	599 Moo 4, Pattana 1 Road, Praksa Sub-district, Mueang Samut Prakarn District, Samut Prakarn Province	0 2324 0781	0 2324 0079	Ordinary shares		300	3,000,000	50.40
21. Tin Thanh Packing Joint Stock Company	Flexible packaging	Lot C20, Duc Hoa Ha Plastic Industrial Zone, Binh Tien Village, Duc Hoa Ha Commune, Doc Hoa District, Long An Province, Vietnam	(84) 072 377 9747	(84) 072 377 9750	Ordinary shares		158	10,204,201	42

22.	Prepack Thailand Co., Ltd.	Flexible packaging	30/145 Moo 1, Khok Kham Sub-district, Muang Samut Sakhon District, Samut Sakhon Province	0 3444 0600-5	0 3444 0606-7	Ordinary shares Preferred shares	322 90	3,220,000 900,000	-	37.80
23.	Phoenix Pulp & Paper Public Company Limited	Bleached pulp / Printing and writing paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares Preferred shares	2,108 98	210,827,396 9,806,380	161,290,752 7,457,088	76.48
24.	Phoenix Utilities Co., Ltd.	Utilities	99 Moo 3, Gudhamsai Sub-district, Nampong District, Khon Kaen Province	0 4343 3104-6	0 4343 3101	Ordinary shares	1,500	15,000,000	-	76.48
25.	Siam Cellulose Co., Ltd.	Bleached pulp	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares	7,770	77,700,000	-	76.48
26.	Thai Paper Co., Ltd.	Printing and writing paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares	3,500	35,000,000	-	76.48
27.	Thai Union Paper Public Company Limited	Printing and writing paper	131 Moo 2, Poochaosamingprai Road,Samrongklang Sub-district, Prapradaeng District, Samut Prakarn Province	0 2754 2100-10	0 2754 2118	Ordinary shares	430	43,000,000	-	76.45
28.	The Siam Forestry Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	184	1,840,000	-	76.48
29.	Panas Nimit Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	1.5	15,000	-	76.48
30.	Thai Panason Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	1.5	15,000	-	76.48
31.	Thai Panadorn Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	1.5	15,000	-	76.48
32.	Thai Panaram Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	1.5	15,000	-	76.48
33.	Suanpa Rungaris Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	1.5	15,000	-	76.48
34.	Siam Panawes Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	2.5	25,000	-	76.48
35.	Thai Panaboon Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	3.0	30,000	-	76.48
36.	Thai Wanabhum Co., Ltd.	Forestry	1 Siam Cement Road, Bangsue, Bangkok	0 3461 5000-20	0 3461 5093	Ordinary shares	2.5	25,000	-	76.48
37.	InfoZafe Co., Ltd.	Shredding business	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares	70	702,000	701,998	100
38.	SCGP Excellence Training Center Co., Ltd.	Training	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3876	0 2586 4507	Ordinary shares	49	1,150,000	1,149,998	100
39.	SCG Paper Energy Co., Ltd.	Energy	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares	71	1,500,000	1,499,998	100
Associates and Other Companies										
40.	Siam Toppan Packaging Co., Ltd.	Offset-printed cartons	543 Moo 4, Praksa Sub-district, Mueang Samut Prakarn District, Samut Prakarn Province	0 2709 3110-7	0 2324 0336	Ordinary shares	500	5,000,000	2,450,000	49
41.	PBS Holdings Corporation	Holding Company	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, the Philippines	(632) 870 0100	(632) 870 0009	Ordinary shares	263	27,650,000	11,059,998	40
42.	Siam Nippon Industrial Paper Co., Ltd.	Machine Glazed Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary shares	1,100	11,000,000	-	34.42
43.	Sahagreen Forest Co., Ltd.	Energy & Utilities	88 Moo 6 Khui Ban Ong, Phran Kratai, Kamphaengphet Province	0 5585 8033	0 5585 8031	Ordinary shares	190	19,000,000	-	19.12
44.	Thai British Security Printing Public Company Limited	Securities document	41/1 Moo 10 Soi Wat Suan Som, Poochaosamingprai Road, Samrong Tai Sub-district, Prapradaeng District, Samut Prakarn Province	0 2754 2650	0 2183 2763	Ordinary shares	110	11,000,000	1,956,724	17.79
45.	Thai British Security Printing Overseas Co., Ltd.	Holding Company	406/2 Moo 9 Sukhumvit Road, Teprarak Sub-district, Samut Prakarn District, Samut Prakarn Province	0 2754 2650	0 2384 0917	Ordinary shares	1	100,000	-	17.79
46.	Rengo Packaging Malaysia Sdn. Bhd.	Corrugated boxes	No.11, Jalan Trompet 33/8, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia	(60) 3 5101 9192	(60) 3 5101 9184	Ordinary shares	804	81,300,000	-	17.50
47.	Thai British DPost Co., Ltd.	Digital printing	837 Moo 4, Soi 12, Pattana 1 Road, Praksa, Samut Prakarn Province	0 2661 5215	0 2661 9580	Ordinary shares	34	3,400,000	-	9.07

* Directly and indirectly holding through the Company, subsidiaries, associates and other companies.
**No issuance of share for the Limited Liability Company incorporated in Vietnam. The capital contribution is as stipulated in the investment certificate of the invested company.

Directors' Information

SCG Packaging Public Company Limited

1. Directors having interests directly or indirectly in any contract entered into by the company during financial year.

- None -

2. Shareholding of Directors in the Company and its affiliates. (As of December 31, 2015)

Directors	SCG Packaging Public Company Limited			Affiliated Companies ²					
	Ordinary Shares (shares)			Ordinary Shares (shares)			Debentures (units)		
	Year 2015	Year 2014	Increase (decrease) during financial year	Year 2015	Year 2014	Increase (decrease) during financial year	Year 2015	Year 2014	Increase (decrease) during financial year
1. Mr. Kan Trakulhoon ¹	-	-	-	-	-	-	-	-	-
2. Mr. Roongrote Rangsiyopash	-	-	-	30,000*	30,000*	-	40,000**	35,000**	5,000**
3. Mr. Chaovalit Ekabut	-	-	-	30,000*	20,000*	10,000*	-	-	-
4. Mr. Somchai Wangwattanapanich	-	-	-	4,300*	8,300*	(4,000)*	-	-	-
5. Mr. Aree Chavalitcheewingul	-	-	-	-	-	-	-	-	-
6. Mr. Nithi Patarachoke	-	-	-	4,000*	4,000*	-	-	-	-
7. Mr. Tanawong Areeratchakul	-	-	-	-	-	-	-	-	-

Notes:

1. Director No. 1 resigned from being the director on January 1, 2016.
 2. According to the Public Limited Companies Act, an “affiliated company” means a public limited company with a relationship to a private company or with any public limited company, or with any companies in the following manner:
 - Any company that has the authority to control over appointment and removal of directors who have full or majority management authority of another company.
 - Any company holds more than 50% of issued shares of another company.
- * Ordinary shares of The Siam Cement Public Company Limited
 ** Debentures of The Siam Cement Public Company Limited

3. Remuneration, shares, debentures, or other benefits which directors received from the company

As the Board of Directors Meeting on August 20, 2003 resolved to cancel all directors' remuneration, the company does not pay any remuneration to directors accordingly, effective from August 2003 onwards. Moreover, all directors do not receive any other benefits given for being the company's directors.

First 10 major shareholders (As of December 31, 2015)

Shareholders	No. of ordinary shares	Percent of total shares
1. The Siam Cement Public Company Limited	153,942,361	98.4916
2. Office of the Privy Purse	826,200	0.5286
3. Mr. Taewan Tantichattanont	116,000	0.0742
4. Miss Orapin Thidarat	104,400	0.0668
5. Randery Burahmakan Company Limited	93,600	0.0599
6. Mr. Man Nana	78,160	0.0500
7. Roman Catholic Mission of Bangkok	53,448	0.0342
8. Mr. U-thane Tantichattanont	50,000	0.0320
9. Mr. Somsak Nana	46,572	0.0298
10. Mr. Pipatpong Israsena Na Ayuthaya	26,444	0.0169
Other Shareholders	962,815	0.6160
Total	156,300,000	100.0000



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