

Premier Technology Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of Premier Technology Public Company Limited

### **Opinion**

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premier Technology Public Company Limited and its subsidiaries and of Premier Technology Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matters are described below.

### **Recognition of sales revenue**

The subsidiary's revenue from sales, amounting to Baht 1,639 million, consists of revenue from sales of goods and revenue from the sale, design and installation of computer network systems and information technology systems (revenue from project work). The amount of sales revenue recognised by the subsidiary is significant to the Group's total revenue and has a direct impact on the profit or loss of the entity. In addition, the process of measurement underlying the recognition of revenue from project work requires management to exercise significant judgement to assess the percentage of completion of the project work. I therefore focused on the audit of the amount and timing of the subsidiary's recognition of revenue from sales.

In order to examine the subsidiary's recognition of revenue from sales of goods I assessed and tested internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative sample to test the operation of the designed control. Moreover, on a sampling basis, I examined documents supporting actual sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes issued by the subsidiary after the period-end and performed analytical procedures on data of the revenue account to detect possible irregularities in sales transactions throughout the period.

For revenue from the sale, design and installation of computer network systems and information technology systems (revenue from project work), I gained an understanding of the internal controls related to this revenue, including those related to procurement and the recording of project costs, inquired of responsible executives, and gained an understanding of the processes that the subsidiary applied in assessing the percentage of completion, estimating project costs and estimating possible losses. I also considered the conditions in the contracts relating to revenue recognition. In addition, I examined the estimation of project costs and, on a sampling basis, I examined the supporting documents for project costs incurred during the year and performed an analytical review of the percentage of completion estimated by the project

managers and the percentage of completion determined through a comparison of project costs incurred throughout the period to the total estimated project costs. I also read related contracts and performed an analytical review of gross profit margin to detect possible irregularities.

### **Other Information**

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

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
Bangkok: 13 February 2019

**Premier Technology Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	33,154,446	92,245,002	1,538,206	822,279
Current investments	8	76,783,486	277,940,778	12,523,448	1,481,166
Trade and other receivables	9	637,835,297	698,065,845	-	-
Prepaid service cost		167,710,192	198,205,473	-	-
Short-term loan to related party	6	-	-	21,000,000	23,200,000
Inventories	10	376,944,857	288,562,066	-	-
Work in progress		47,786,200	45,764,644	-	-
Other current assets	11	33,385,005	25,964,645	5,454,566	6,465,418
<b>Total current assets</b>		<b>1,373,599,483</b>	<b>1,626,748,453</b>	<b>40,516,220</b>	<b>31,968,863</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	38,196,476	39,852,055	1,203,100	1,203,100
Investment in subsidiaries	13	-	-	325,886,600	325,886,600
Investment in available-for-sale securities	14	51,424,500	55,651,500	-	-
Investment properties	15	157,219,953	152,852,279	260,188,649	253,853,435
Property, plant and equipment	16	232,781,957	170,841,015	6,769	8,388
Intangible assets	17	3,514,835	4,833,735	-	-
Deferred tax assets	26	15,475,747	12,095,387	-	-
Other non-current assets		10,685,489	11,739,169	-	-
<b>Total non-current assets</b>		<b>509,298,957</b>	<b>447,865,140</b>	<b>587,285,118</b>	<b>580,951,523</b>
<b>Total assets</b>		<b>1,882,898,440</b>	<b>2,074,613,593</b>	<b>627,801,338</b>	<b>612,920,386</b>

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

**Premier Technology Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	18	744,651,918	835,784,503	8,747,892	2,774,603
Advances received for goods and services		203,440,609	274,868,521	-	-
Short-term loans from other company	19	-	25,213,661	-	-
Current portion of long-term loans	20	28,560,000	29,920,499	28,560,000	28,560,000
Current portion of long-term liabilities					
under finance lease agreements	21	10,094,778	5,712,732	-	-
Income tax payable		-	2,512,200	-	-
Other current liabilities		13,134,593	37,041,884	3,271,195	3,042,789
<b>Total current liabilities</b>		<b>999,881,898</b>	<b>1,211,054,000</b>	<b>40,579,087</b>	<b>34,377,392</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	20	64,340,000	92,900,000	64,340,000	92,900,000
Liabilities under finance lease agreements -					
net of current portion	21	37,037,366	-	-	-
Provision for long-term employee benefits	22	70,853,332	61,599,067	-	-
Other non-current liabilities		7,668,231	4,227,714	10,711,535	7,868,251
<b>Total non-current liabilities</b>		<b>179,898,929</b>	<b>158,726,781</b>	<b>75,051,535</b>	<b>100,768,251</b>
<b>Total liabilities</b>		<b>1,179,780,827</b>	<b>1,369,780,781</b>	<b>115,630,622</b>	<b>135,145,643</b>

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

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
283,888,942 ordinary shares of Baht 1 each		<u>283,888,942</u>	<u>283,888,942</u>	<u>283,888,942</u>	<u>283,888,942</u>
Issued and fully paid up					
283,888,942 ordinary shares of Baht 1 each		283,888,942	283,888,942	283,888,942	283,888,942
Retained earnings					
Appropriated - statutory reserve	24	28,388,894	21,516,932	28,388,894	21,516,932
Unappropriated		386,071,766	391,246,716	199,892,880	172,368,869
Other components of shareholders' equity		<u>4,768,011</u>	<u>8,180,222</u>	-	-
<b>Total shareholders' equity</b>		<u>703,117,613</u>	<u>704,832,812</u>	<u>512,170,716</u>	<u>477,774,743</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,882,898,440</u>	<u>2,074,613,593</u>	<u>627,801,338</u>	<u>612,920,386</u>
		-	-	-	-

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

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 Directors  
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**Premier Technology Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		1,639,119,290	2,132,150,503	-	-
Rental and service income		1,024,612,487	954,833,048	50,025,032	48,807,013
Dividend income	13	-	-	194,997,660	149,998,200
Other income		54,643,740	67,821,991	1,900,469	2,316,171
<b>Total revenues</b>		<b>2,718,375,517</b>	<b>3,154,805,542</b>	<b>246,923,161</b>	<b>201,121,384</b>
<b>Expenses</b>					
Cost of sales and services		1,896,680,663	2,308,946,180	31,324,722	27,997,526
Selling expenses		227,221,861	224,594,936	-	-
Administrative expenses		391,827,769	368,599,648	18,491,647	19,337,280
<b>Total expenses</b>		<b>2,515,730,293</b>	<b>2,902,140,764</b>	<b>49,816,369</b>	<b>47,334,806</b>
<b>Profit before finance cost and income tax expenses</b>		<b>202,645,224</b>	<b>252,664,778</b>	<b>197,106,792</b>	<b>153,786,578</b>
Finance cost		(6,097,795)	(13,380,515)	(5,409,208)	(6,837,860)
<b>Profit before income tax expenses</b>		<b>196,547,429</b>	<b>239,284,263</b>	<b>191,697,584</b>	<b>146,948,718</b>
Income tax expenses	26	(38,711,499)	(46,037,687)	(1,162,693)	(499,008)
<b>Profit for the year</b>		<b>157,835,930</b>	<b>193,246,576</b>	<b>190,534,891</b>	<b>146,449,710</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale securities		(4,227,000)	5,183,000	-	-
Less: Income tax effect	26	845,400	(1,036,601)	-	-
Exchange differences on translation of financial statements in foreign currency		(30,611)	(141,010)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(3,412,211)	4,005,389	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	22	-	(5,604,387)	-	-
Less: Income tax effect	26	-	1,120,877	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(4,483,510)	-	-
<b>Other comprehensive income for the year</b>		<b>(3,412,211)</b>	<b>(478,121)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>154,423,719</b>	<b>192,768,455</b>	<b>190,534,891</b>	<b>146,449,710</b>
<b>Basic earnings per share</b>					
Profit for the year		0.56	0.68	0.67	0.52

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

**Premier Technology Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2018**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Profit before tax	196,547,429	239,284,263	191,697,584	146,948,718
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on change in value of current investments	(33,366)	(30,838)	(7,824)	(697)
Doubtful accounts (reversal)	(1,147,733)	1,489,744	-	-
Reduce cost of inventory to net realisable value	396,898	946,710	-	-
Depreciation	48,718,501	45,929,957	10,182,735	10,063,739
Gain on sales of equipment	(104,594)	(277,726)	-	-
Amortisation of intangible assets	1,318,900	1,318,899	-	-
Amortisation of prepaid rental expenses	999,629	999,629	-	-
Long-term employee benefits expenses (reversal)	9,925,423	(530,192)	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(194,997,660)	(149,998,200)
Interest expenses	<u>5,897,795</u>	<u>13,260,515</u>	<u>5,409,208</u>	<u>6,837,860</u>
Profit from operating activities before changes in operating assets and liabilities	262,518,882	302,390,961	12,284,043	13,851,420
(Increase) decrease in operating assets				
Trade and other receivables	61,378,280	(185,254,783)	-	45,029
Prepaid service cost	30,495,281	(12,300,163)	-	-
Inventories	(88,779,689)	(167,521,034)	-	-
Work in progress	(2,021,556)	29,418,683	-	-
Other current assets	(806,411)	4,908,181	1,667,468	1,530,609
Other non-current assets	54,051	(5,651)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(91,132,585)	261,981,631	5,972,299	917,118
Advances received for goods and services	(71,427,913)	81,264,515	-	-
Other current liabilities	(23,908,279)	541,049	228,405	40,687
Other non-current liabilities	<u>2,769,359</u>	<u>584,387</u>	<u>2,843,284</u>	<u>584,387</u>
Cash flows from operating activities	79,139,420	316,007,776	22,995,499	16,969,250
Cash paid for interest expenses	(5,896,806)	(13,251,701)	(5,408,219)	(6,829,047)
Cash paid for income tax	<u>(50,372,607)</u>	<u>(45,650,537)</u>	<u>(1,819,306)</u>	<u>(1,756,796)</u>
<b>Net cash flows from operating activities</b>	<u>22,870,007</u>	<u>257,105,538</u>	<u>15,767,974</u>	<u>8,383,407</u>

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

**Premier Technology Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in current investments	201,190,658	(20,165,825)	(11,034,458)	13,364,527
Decrease in short-term loan to related party	-	-	2,200,000	14,100,000
(Increase) decrease in restricted bank deposits	1,655,579	(396,524)	-	-
Cash paid for renovation of investment properties	(9,980,054)	(1,915,509)	(16,516,331)	(3,181,232)
Acquisition of equipment	(56,464,048)	(25,309,821)	-	(5,329)
Proceeds from sales of equipment	699,134	709,400	-	-
Dividend received from investment in subsidiary	-	-	194,997,660	149,998,200
<b>Net cash flows from (used in) investing activities</b>	<u>137,101,269</u>	<u>(47,078,279)</u>	<u>169,646,871</u>	<u>174,276,166</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from other company	(25,213,661)	(5,774,549)	-	-
Repayment of long-term loans	(29,920,499)	(29,886,942)	(28,560,000)	(28,560,000)
Repayment of liabilities under finance lease agreements	(7,758,143)	(11,421,160)	-	-
Dividend paid	(156,138,918)	(153,300,029)	(156,138,918)	(153,300,029)
<b>Net cash flows used in financing activities</b>	<u>(219,031,221)</u>	<u>(200,382,680)</u>	<u>(184,698,918)</u>	<u>(181,860,029)</u>
<b>Exchange differences on translation</b>				
<b>of financial statements in foreign currency</b>	<u>(30,611)</u>	<u>(141,010)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(59,090,556)	9,503,569	715,927	799,544
Cash and cash equivalents at beginning of the year	<u>92,245,002</u>	<u>82,741,433</u>	<u>822,279</u>	<u>22,735</u>
<b>Cash and cash equivalents at end of the year</b>	<u>33,154,446</u>	<u>92,245,002</u>	<u>1,538,206</u>	<u>822,279</u>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash items				
Transfer of property, plant and equipment to investment properties	539,597	-	-	-
Increase share capital for distribution of stock dividend	-	141,944,471	-	141,944,471
Assets acquired under financial lease agreements	49,177,555	-	-	-

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

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements						
	Issued and paid-up share capital	Retained earnings		Other components of shareholder's equity			Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	Gain on change in value of available-for-sale securities	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
<b>Balance as at 1 January 2017</b>	141,944,471	14,194,447	505,050,635	4,109,200	65,633	4,174,833	665,364,386
Profit for the year	-	-	193,246,576	-	-	-	193,246,576
Other comprehensive income for the year	-	-	(4,483,510)	4,146,399	(141,010)	4,005,389	(478,121)
Total comprehensive income for the year	-	-	188,763,066	4,146,399	(141,010)	4,005,389	192,768,455
Stock dividend paid (Note 23 and 30)	141,944,471	-	(141,944,471)	-	-	-	-
Dividend paid (Note 30)	-	-	(153,300,029)	-	-	-	(153,300,029)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	7,322,485	(7,322,485)	-	-	-	-
<b>Balance as at 31 December 2017</b>	<b>283,888,942</b>	<b>21,516,932</b>	<b>391,246,716</b>	<b>8,255,599</b>	<b>(75,377)</b>	<b>8,180,222</b>	<b>704,832,812</b>
<b>Balance as at 1 January 2018</b>	<b>283,888,942</b>	<b>21,516,932</b>	<b>391,246,716</b>	<b>8,255,599</b>	<b>(75,377)</b>	<b>8,180,222</b>	<b>704,832,812</b>
Profit for the year	-	-	157,835,930	-	-	-	157,835,930
Other comprehensive income for the year	-	-	-	(3,381,600)	(30,611)	(3,412,211)	(3,412,211)
Total comprehensive income for the year	-	-	157,835,930	(3,381,600)	(30,611)	(3,412,211)	154,423,719
Dividend paid (Note 30)	-	-	(156,138,918)	-	-	-	(156,138,918)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	6,871,962	(6,871,962)	-	-	-	-
<b>Balance as at 31 December 2018</b>	<b>283,888,942</b>	<b>28,388,894</b>	<b>386,071,766</b>	<b>4,873,999</b>	<b>(105,988)</b>	<b>4,768,011</b>	<b>703,117,613</b>

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

**Premier Technology Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Separate financial statements</b>			<b>Total</b>
	<b>Issued and paid-up share capital</b>	<b>Retained earnings</b>		
		<b>Appropriated - statutory reserve</b>	<b>Unappropriated</b>	
<b>Balance as at 1 January 2017</b>	141,944,471	14,194,447	328,486,144	484,625,062
Profit for the year	-	-	146,449,710	146,449,710
Total comprehensive income for the year	-	-	146,449,710	146,449,710
Stock dividend paid (Note 23 and 30)	141,944,471	-	(141,944,471)	-
Dividend paid (Note 30)	-	-	(153,300,029)	(153,300,029)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	7,322,485	(7,322,485)	-
<b>Balance as at 31 December 2017</b>	<b>283,888,942</b>	<b>21,516,932</b>	<b>172,368,869</b>	<b>477,774,743</b>
				-
<b>Balance as at 1 January 2018</b>	283,888,942	21,516,932	172,368,869	477,774,743
Profit for the year	-	-	190,534,891	190,534,891
Total comprehensive income for the year	-	-	190,534,891	190,534,891
Dividend paid (Note 30)	-	-	(156,138,918)	(156,138,918)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	6,871,962	(6,871,962)	-
<b>Balance as at 31 December 2018</b>	<b>283,888,942</b>	<b>28,388,894</b>	<b>199,892,880</b>	<b>512,170,716</b>

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

**Premier Technology Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2018**

**1. General information**

Premier Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in a holding company. The registered office of the Company is 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

**2. Basis of preparation**

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

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

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

**2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Premier Technology Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 Percent	2017 Percent
<u>Owned by the Company</u>				
Datapro Computer Systems Company Limited	Distribution and provision of services relating to computer and computer systems	Thailand	100	100
<u>Owned by the Company's subsidiary</u>				
Datapro Computer Systems (Myanmar) Company Limited (Wholly owned by Datapro Computer Systems Company Limited)	Provision of services relating to computer systems	The Republic of the Union of Myanmar	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) The subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

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

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

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

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

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

### **IFRS 15 Revenue from Contracts with Customers**

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

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

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

The management of the Company and its subsidiaries expects the adoption of this accounting standard to result in the following adjustments.

- Revenues from the sale, design and installation of computer network systems and information technology systems (revenue from project work) - The Company and its subsidiaries have determined whether the relevant conditions, facts and circumstances of each customer contract met the criteria for revenue recognition over a period of time.
- Service-type warranties - The Company and its subsidiaries have determined that service-type warranties should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon delivery of the goods.

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

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

Financial reporting standards:

TFRS 7                      Financial Instruments: Disclosures

TFRS 9                      Financial Instruments

Accounting standard:

TAS 32                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                    Extinguishing Financial Liabilities with Equity Instruments

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

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

## **4. Significant accounting policies**

### **4.1 Revenues and expenses recognition**

#### a) Revenues

##### *Sales and service income*

Revenues from the sale, design, installation for computer network systems and information technology systems (revenue from project work) are recognised on the basis of percentage of completion, as assessed by the entity's engineers/the project managers. Recognised revenues, that are not yet due, per the contracts, are presented under the caption of "unbilled receivables" under trade and other receivables in the statement of financial position.

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

Service revenues are recognised when the services have been rendered taking into account the stage of completion.

##### *Rental income*

Rental income is monthly recognised as revenue at the amount as fixed under the related rental agreement.

##### *Dividends*

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

#### b) Expenses

Costs of sales, design, installation for computer systems and information technology network systems are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Differences between the estimated costs and the actual costs are recognised as "goods under installation" and "work in progress" under current assets or "unbilled payables" under current liabilities in the statement of financial position. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained.

Other expenses are recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

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

## **4.3 Trade accounts receivable**

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

## **4.4 Inventories**

Inventories are valued at the lower of cost (under the first-in, first-out method and the specific identification method) and net realisable value.

## **4.5 Investments**

- a) Current investment of unit trusts are stated at fair value. Changes in the fair value of unit trusts are recorded in profit or loss. The fair value of unit trusts is determined from their net asset value.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

In the event the Company and subsidiary reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

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

#### **4.7 Property, plant and equipment/Depreciation**

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

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

Building	-	20 years
Leasehold improvements	-	5 and 10 years
Furniture and fixtures	-	5 years
Office equipment	-	5 years
Computer and equipment	-	3, 5 and 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.8 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

The Company and its subsidiaries amortise intangible assets, which comprise product design and development costs on the straight-line basis, with the periods of economic useful life being approximately 10 years.

#### **4.9 Related party transactions**

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

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

#### **4.10 Long-term leases**

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

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

#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

#### **4.13 Employee benefits**

##### *Short-term employee benefits*

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

##### *Post-employment benefits*

##### Defined contribution plans

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

##### Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.14 Provisions**

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

#### **4.15 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.16 Fair value measurement**

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Estimation of revenues and costs of sales, design, installation for computer network systems and information technology systems**

In estimation of revenues and costs of sales, design, installation for computer network systems and information technology systems, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion and total cost of each contracts, based on information from the engineers/project managers. These estimates are revisited on a periodical basis or when the actual costs incurred significantly vary from the estimation.

## Impairment of equity investments

The Company sets aside provision for impairment of available-for-sale investments and investment in subsidiary when there has been a significant or prolonged decline in fair value to below cost or where other objective evidence of impairment exists. It reverses the impairment loss on such investments when their fair value significantly increases or the indication of impairment no longer exists. The determination of whether the impairment in investment is “significant” or “prolonged” or that no indication exists requires management to exercise judgement.

## Post-employment benefits under defined benefit plans

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

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	195	150	As announcement
Rental and service income	-	-	29	29	Contract price, which is price in the ordinary course of business
Interest income	-	-	2	2	5.0 percent per annum
<u>Transactions with related companies</u>					
Sales and service income	59	57	-	-	Note 6.1
Rental and service income	11	11	11	11	Contract price, which is price in the ordinary course of business
Cost of sales and services	-	1	-	-	Contract price, which is price in the ordinary course of business
Administrative expenses	30	22	10	7	Contract price, which is price in the ordinary course of business

6.1 Sales prices are determined based on cost plus a margin while price of service are based on the contract price, which is price in the ordinary course of business. However pricing depends on the type of product or service and the pricing policy may change according to the type of business and the market situation at the time of the transaction.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade receivables - related parties (Note 9)</u></b>				
Related companies (related by common directors)	168	431	-	-
<b><u>Amounts due to related parties (Note 18)</u></b>				
Related companies (related by common directors)	3,466	2,554	224	874

**Short-term loan to related party**

As at 31 December 2018 and 2017, the balance of loan to between the Company and the related party and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
		Balance as at	During the year		Balance as at
<u>Related by</u>	<u>31 December 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2018</u>	
<b><u>Short-term loan to related party</u></b>					
Datapro Computer Systems Company Limited	Subsidiary	23,200	49,000	(51,200)	21,000

Short-term loan to Datapro Computer Systems Company Limited represents in form of promissory notes, the repayment is at call and carrying interest at the rate of 5.0 percent per annum (2017: 5.0 percent per annum).

## **Directors and management's benefits**

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	27	36	2	1
Post-employment benefits	2	1	-	-
Total	<u>29</u>	<u>37</u>	<u>2</u>	<u>1</u>

## **7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	115	115	5	5
Bank deposits	<u>33,039</u>	<u>92,130</u>	<u>1,533</u>	<u>817</u>
Total	<u>33,154</u>	<u>92,245</u>	<u>1,538</u>	<u>822</u>

As at 31 December 2018, bank deposits carried interests between 0.13 and 0.40 percent per annum (2017: between 0.13 and 0.80 percent per annum).

## **8. Current investments**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Fixed deposit	13	-	13	-
Investments in unit trust in debt securities				
open-ended fund (fair value)	<u>76,770</u>	<u>277,941</u>	<u>12,510</u>	<u>1,481</u>
Total	<u>76,783</u>	<u>277,941</u>	<u>12,523</u>	<u>1,481</u>

Investments in unit trust in debt securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

## 9. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u> (Note 6)		
Aged on the basis of due dates		
Not yet due	127	402
Past due		
Up to 3 months	41	29
Total trade receivables - related parties	<u>168</u>	<u>431</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	324,886	471,508
Past due		
Up to 3 months	141,586	109,358
3 - 6 months	395	9,689
6 - 12 months	1,761	1,174
Over 12 months	9,037	10,478
Total	<u>477,665</u>	<u>602,207</u>
Less: Allowance for doubtful debts	(9,917)	(11,065)
Total trade receivables - unrelated parties, net	<u>467,748</u>	<u>591,142</u>
Total trade receivables - net	<u>467,916</u>	<u>591,573</u>
<u>Other receivables</u>		
Unbilled receivables	130,755	63,037
Accrued income	39,164	43,456
Total other receivables	<u>169,919</u>	<u>106,493</u>
Total trade and other receivables - net	<u><u>637,835</u></u>	<u><u>698,066</u></u>

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	214,574	50,205	(14,903)	(14,507)	199,671	35,698
Goods under installation	171,947	249,264	-	-	171,947	249,264
Goods in transit	5,327	3,600	-	-	5,327	3,600
Total	<u>391,848</u>	<u>303,069</u>	<u>(14,903)</u>	<u>(14,507)</u>	<u>376,945</u>	<u>288,562</u>

During the current year, the subsidiary reduced cost of inventories by Baht 10 million (2017: Baht 6 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 9 million (2017: Baht 5 million), and reduced the amount of inventories recognised as expenses during the year.

## 11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Withholding tax deducted at source	7,914	5,434	1,914	2,921
Prepaid expenses	18,964	13,732	295	285
Others	6,507	6,799	3,246	3,259
Total other current assets	<u>33,385</u>	<u>25,965</u>	<u>5,455</u>	<u>6,465</u>

## 12. Restricted bank deposits

Deposits with banks of the Company and its subsidiary have been pledged as security against credit facilities obtained from the financial institutions which are consist of loans, bank guarantees and other credit facilities.

## 13. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2018	2017	2018	2017	2018	2017	2018	2017
<u>Subsidiary directly held by the Company</u>								
Datapro Computer Systems Company Limited								
	100,000	100,000	100	100	325,887	325,887	194,998	149,998
<u>Subsidiary held through Datapro Computer Systems Company Limited</u>								
Datapro Company Systems (Myanmar) Company Limited								
	50*	50*	100	100	-	-	-	-
Total					<u>325,887</u>	<u>325,887</u>	<u>194,998</u>	<u>149,998</u>

\*Thousand USD

In April 2017, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2016 of Baht 150 per share, a total of Baht 150 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2017.

In April 2018, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2017 of Baht 195 per share, a total of Baht 195 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2018.

During the current year, Datapro Computer Systems (Myanmar) Company Limited which is registered and incorporated in the Republic of the Union of Myanmar has not yet commenced operation of its business.

#### 14. Investment in available-for-sale securities

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Investment in unit trust in equity securities open-ended fund - cost	45,332	45,332
Add: Surplus on changes in value of investments	<u>6,093</u>	<u>10,320</u>
Fair value	<u><u>51,425</u></u>	<u><u>55,652</u></u>

Investment in unit trust in equity securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

#### 15. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>Land and office building</u>	<u>Land and office building</u>
As at 31 December 2018:		
Cost	192,569	318,860
<u>Less</u> Accumulated depreciation	<u>(35,349)</u>	<u>(58,671)</u>
Net book value	<u><u>157,220</u></u>	<u><u>260,189</u></u>

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>Land and office building</u>	<u>Land and office building</u>
As at 31 December 2017:		
Cost	182,049	302,343
<u>Less</u> Accumulated depreciation	<u>(29,197)</u>	<u>(48,490)</u>
Net book value	<u><u>152,852</u></u>	<u><u>253,853</u></u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	152,852	156,956	253,853	260,669
Renovation of office building	9,980	1,915	16,517	3,181
Transferred from property, plant and equipment	540	-	-	-
Depreciation charged	<u>(6,152)</u>	<u>(6,019)</u>	<u>(10,181)</u>	<u>(9,997)</u>
Net book value at end of year	<u>157,220</u>	<u>152,852</u>	<u>260,189</u>	<u>253,853</u>

The portion of the Company's investment properties, consist of land and office building, has leased to its subsidiary.

The Company has mortgaged such investment properties as collateral against a long-term loan from a bank.

The fair values of the above investment properties of the Company amounting to Baht 360 million, were determined under the income approach, based on valuations performed by an accredited independent valuer in 2017. The key assumptions used in estimating the fair value included yield rate, rental rate and occupancy rate. The disclosed fair values are based on the use of Level 3 inputs.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 January 2017	55,894	62,413	150,004	344,423	1,066	620	614,420
Additions	-	-	1,300	22,744	-	1,266	25,310
Disposals	-	-	(736)	(4,917)	-	-	(5,653)
Transfers in (out)	-	1,886	-	-	-	(1,886)	-
31 December 2017	55,894	64,299	150,568	362,250	1,066	-	634,077
Transferred to investment properties	(299)	(344)	-	-	-	-	(643)
Additions	-	-	4,559	90,522	-	10,560	105,641
Disposals	-	-	(5,059)	(23,345)	-	-	(28,404)
Transfers in (out)	-	759	-	-	-	(759)	-
31 December 2018	55,595	64,714	150,068	429,427	1,066	9,801	710,671
<b>Accumulated depreciation:</b>							
1 January 2017	-	15,214	120,250	292,016	1,066	-	428,546
Depreciation for the year	-	3,977	8,571	27,363	-	-	39,911
Depreciation on disposals	-	-	(567)	(4,654)	-	-	(5,221)
31 December 2017	-	19,191	128,254	314,725	1,066	-	463,236
Depreciation - transferred to investment properties	-	(103)	-	-	-	-	(103)
Depreciation for the year	-	4,029	7,987	30,550	-	-	42,566
Depreciation on disposals	-	-	(4,487)	(23,323)	-	-	(27,810)
31 December 2018	-	23,117	131,754	321,952	1,066	-	477,889
<b>Net book value:</b>							
31 December 2017	55,894	45,108	22,314	47,525	-	-	170,841
31 December 2018	55,595	41,597	18,314	107,475	-	9,801	232,782
<b>Depreciation for the year:</b>							
2017 (Baht 18 million included in service cost, and the balance in administrative expenses)							39,911
2018 (Baht 22 million included in service cost, and the balance in administrative expenses)							42,566

## 16. Property, plant and equipment (continued)

	(Unit: Thousand Baht)
	Separate financial statements
	Furniture and office equipment
<b>Cost:</b>	
1 January 2017	392
Additions	5
31 December 2017	397
31 December 2018	397
<b>Accumulated depreciation:</b>	
1 January 2017	322
Depreciation for the year	67
31 December 2017	389
Depreciation for the year	1
31 December 2018	390
<b>Net book value:</b>	
31 December 2017	8
31 December 2018	7
<b>Depreciation for the year (include in administrative expenses):</b>	
2017	67
2018	1

As at 31 December 2018 and 2017, land and building as presented in the consolidated financial statements is the portion of the Company's investment properties that it has leased to its subsidiary.

As at 31 December 2018, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 48 million (2017: Baht 6 million).

As at 31 December 2018, certain equipment items of the subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 359 million (2017: Baht 359 million).

Land and building as presented in the consolidated financial statements have been mortgaged as collateral against a long-term loan from a bank.

## 17. Intangible assets

Details of intangible assets which are the products' design and development costs are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
As at 31 December 2018:		
Cost		13,188
<u>Less</u> Accumulated amortisation		(9,673)
Net book value		<u>3,515</u>
As at 31 December 2017:		
Cost		13,188
<u>Less</u> Accumulated amortisation		(8,354)
Net book value		<u>4,834</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	4,834	6,153
Amortisation	(1,319)	(1,319)
Net book value at end of year	<u>3,515</u>	<u>4,834</u>

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - unrelated parties	571,729	671,486	8,059	1,396
Amounts due to related parties (Note 6)	3,466	2,554	224	874
Accrued expenses	169,457	161,745	465	505
Total trade and other payables	<u>744,652</u>	<u>835,785</u>	<u>8,748</u>	<u>2,775</u>

## 19. Short-term loans from other company

During the current year, a subsidiary repaid all short-term loans. (2017: short-term loans amounting to Baht 25 million were loans granted to the subsidiary, in order to make payment for goods, under agreements with a local company, with principal and interest to be paid in monthly installments, and interest charged at a rate of 3.3 percent per annum).

## 20. Long-term loans

Long-term loans of the Company consist of the followings:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Long-term loans	92,900	122,820	92,900	121,460
Less: Current portion	<u>(28,560)</u>	<u>(29,920)</u>	<u>(28,560)</u>	<u>(28,560)</u>
Long-term loans - net of current portion	<u>64,340</u>	<u>92,900</u>	<u>64,340</u>	<u>92,900</u>

Movement of the long - term loan account during the year ended 31 December 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	122,820	121,460
Less: Repayment	<u>(29,920)</u>	<u>(28,560)</u>
Balance as at 31 December 2018	<u>92,900</u>	<u>92,920</u>

Details of the long-term loan agreement with a bank are as follows:

1. Principal Baht 200 million
2. Interest rate MLR - 1.5 percent per annum
3. Repayment schedules
  - Principal Payable on a monthly basis for an amount of Baht 2.4 million per month, starting from April 2015 (total 84 months)
  - Interest Monthly basis

The loan agreement contains certain covenants and restrictions imposed by the lenders regarding, among other things, sales or transfers of assets other than in the ordinary course of business and merger or consolidation with any other companies.

The loan is secured by the mortgage of investment properties of the Company.

## 21. Liabilities under finance lease agreements

Liabilities under finance lease agreements of the subsidiary are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Liabilities under finance lease agreements	47,132	5,713
Less: Deferred interest expenses	-	-
	<u>47,132</u>	<u>5,713</u>
Less: Current portion	(10,095)	(5,713)
Liabilities under finance lease agreements - net of current portion	<u>37,037</u>	<u>-</u>

The subsidiary has entered into the finance lease agreements with leasing companies for rental of equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 5 years (2017: 3 years). The assets acquired by the subsidiary under the finance lease agreements have been recorded at their cash price.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	As at 31 December 2018		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	10	37	47
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	<u>10</u>	<u>37</u>	<u>47</u>

	(Unit: Million Baht)		
	As at 31 December 2017		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	6	-	6
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	<u>6</u>	<u>-</u>	<u>6</u>

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits which, represents compensations payable to employees after they retire from a subsidiary was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
<b>Provision for long-term employee benefits at beginning of year</b>	61,599	56,525
Included in profit or loss:		
Current service cost	8,003	4,667
Interest cost	1,922	1,752
Past service costs	-	(6,949)
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	-	388
Financial assumptions changes	-	(105)
Experience adjustments	-	5,321
Benefits paid during the year	(671)	-
<b>Provision for long-term employee benefits at end of year</b>	<u>70,853</u>	<u>61,599</u>

Long-term employee benefit expenses presented in administrative expenses which included in the profit or loss for the year ended 31 December 2018 and 2017.

The subsidiary expects to pay Baht 1 million of long-term employee benefits during the next year (2017: the subsidiary expected not to pay long-term employee benefits during 2018).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit of subsidiary is 15 years (2017: 17 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
	(Percent)	(Percent)
Discount rate	3.1	3.1
Future salary increase rate	5.6	5.6
Turnover rate	0 - 15.0	0 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017, are summarised below:

(Unit: Million Baht)

	Consolidated financial statements			
	2018		2017	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(8)	9	(7)	8
Salary increase rate	9	(8)	8	(7)
Turnover rate	(5)	6	(5)	6

### 23. Share capital

On 26 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution approving the reduction of the registered share capital from Baht 142,440,489 to Baht 141,994,471 (141,994,471 ordinary shares with a par value of Baht 1 each) by canceling 496,018 undistributed ordinary shares with a par value of Baht 1 each and a resolution approving the increase in the registered share capital from Baht 141,944,471 to Baht 283,888,942 (283,888,942 ordinary shares with a par value of Baht 1 each) to support the proposed distribution of a stock dividend, by issuing 141,944,471 additional ordinary shares with a par value of Baht 1 each as discussed in note 30 to the financial statements. The Company registered the increase in its share capital with the Ministry of Commerce on 18 May 2017.

### 24. Statutory reserve

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

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and other employee benefits	533,440	523,506	2,132	1,362
Depreciation	48,719	45,930	10,183	10,064
Rental expenses from operating lease agreements	29,283	29,828	-	-
Purchase of goods and services	1,845,969	2,402,304	-	-
Changes in finished goods and goods under installation	(87,052)	(172,492)	-	-

## 26. Income tax expenses

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Current corporate income tax charge	41,246	46,795	1,163	499
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(2,535)	(757)	-	-
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>38,711</b>	<b>46,038</b>	<b>1,163</b>	<b>499</b>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to gain (loss) on change in value of available-for-sale securities	(845)	1,037	-	-
Deferred tax relating to actuarial losses	-	(1,121)	-	-
	<u>(845)</u>	<u>(84)</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	196,547	239,284	191,698	146,949
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	39,309	47,857	-	29,390
Utilisation of previous unrecognised tax losses as deferred tax assets	-	(896)	-	(896)
Tax loss for the year which unrecognised as deferred tax assets	2	13	-	-
Promotional tax privileges from the Board of Investment	(1,933)	(1,714)	-	-
Effects of:				
Tax-exempt income	-	-	(39,000)	(30,000)
Non-deductible expenses	3,549	2,658	1,889	2,054
Additional expense deductions allowed	(2,216)	(1,880)	(66)	(49)
Total	1,333	778	(37,177)	(27,995)
Income tax expenses reported in the statement of comprehensive income	<u>38,711</u>	<u>46,038</u>	<u>1,163</u>	<u>499</u>

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	2,981	2,901	-	-
Provision for long-term employee benefits	14,171	12,320	-	-
Total	17,152	15,221	-	-
<b>Deferred tax liabilities</b>				
Difference depreciation between tax and accounting base of assets under finance lease agreements	1,386	1,989	-	-
Revaluation of investment in available for sale securities	285	1,131	-	-
Other	5	6	-	-
Total	1,676	3,126	-	-
Total deferred tax assets - net	15,476	12,095	-	-

## 27. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for Enterprise Software and Digital Content, pursuant to the promotion certificate No. 1924(7)/2553 issued on 30 July 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (20 June 2012).

The Company and its subsidiary's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	2018			2017		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Rental and service income	24,686	999,926	1,024,612	23,137	931,696	954,833

## **28. Financial information by segment**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have 2 reportable segments as follows:

- (1) Distribution and provision of services relating to computer and computer systems.
- (2) Rent out space and services.

No other operating segments have been aggregated to form above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries's central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company and its subsidiaries's operating segments for the years ended 31 December 2018 and 2017.

(Unit: Million Baht)

	Distribution and provision of services relating to computer and computer systems segment		Rent out space and services segment		Elimination of inter-segment		Consolidation	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>								
Revenues from external customers								
Sales	1,639	2,132	-	-	-	-	1,639	2,132
Rental and service income	1,004	935	21	20	-	-	1,025	955
Total revenues from external customers	2,643	3,067	21	20	-	-	2,664	3,087
Inter-segment revenues	-	-	29	29	(29)	(29)	-	-
Total revenues	2,643	3,067	50	49	(29)	(29)	2,664	3,087
<b>Segment profit</b>	<b>270</b>	<b>296</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>300</b>
<b>Unallocated income and expenses:</b>								
Other income							55	68
Selling expenses							(25)	(21)
Administrative expenses							(100)	(95)
Finance cost							(6)	(13)
<b>Profit before income tax expenses</b>							197	239
Income tax expenses							(39)	(46)
<b>Profit for the year</b>							158	193

### Geographic information

The Company and its subsidiary are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

### Major customers

For the year 2018, the Company and its subsidiary have revenue from three major customers in amount of Baht 627 million (2017: Baht 969 million derived from three major customers), arising from distribution and provision of services relating to computer and computer systems segment.

## 29. Provident fund

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contributed to the fund monthly at the rate of 5 and 8 percent of basic salary. The fund, which is managed by KASIKORN Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 15 million (2017: Baht 14 million) were recognised as expenses.

## 30. Dividends

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final Dividend for 2016	Annual General Meeting of the shareholders on 26 April 2017		
- Cash dividend		125	0.88
- Stock dividend of 141,944,471 ordinary shares		142	1.00
Interim dividend for 2017	Board of Directors' meeting on 9 August 2017	28	0.10
<b>Total dividends paid in 2017</b>		<b>295</b>	
Final dividend for 2017	Annual General Meeting of the shareholders on 25 April 2018	114	0.40
Interim dividend for 2018	Board of Directors' meeting on 8 August 2018	42	0.15
<b>Total dividends paid in 2018</b>		<b>156</b>	

### 31. Commitments and contingent liabilities

#### 31.1 Operating lease commitments

The subsidiary had entered into several lease agreements with other companies and related company in respect of the lease of office building space, equipment and related services. The terms of the agreements are generally between 1 to 13 years.

As at 31 December 2018 and 2017, future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
Payable:		
In up to 1 year	6	18
In over 1 year and up to 5 years	6	9

#### 31.2 Service commitments

The Company and its subsidiary have entered into management service agreements with a related company, whereby management fees totaling Baht 1.8 million per month (2017: Baht 1.8 million per month) are payable in the future, with Baht 0.6 million per month (2017: Baht 0.6 million per month) payable by the Company. The agreements end in December 2019 but they automatically renew for periods of one year each time until terminated.

#### 31.3 Bank guarantees

As at 31 December 2018, the Company and its subsidiary have outstanding bank guarantees of approximately Baht 146 million (2017: Baht 115 million and USD 0.02 million) issued by banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiary. These included letters of guarantee amounting to Baht 145 million (2017: Baht 114 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2017: Baht 1 million) to guarantee electricity use of the Company.

## **32. Financial instruments**

### **32.1 Financial risk management**

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, restricted bank deposits, trade and other receivables, investment in available-for-sale securities, loan to, trade and other payables, short-term and long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

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

#### ***Interest rate risk***

The Company and its subsidiaries's exposure to interest rate risk relates primarily to their cash at banks, short-term loan to, short-term and long-term loans and liabilities under finance lease agreements. Most of the Company and its subsidiaries's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2018

<b>Consolidated financial statements</b>	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	33	-	33	Note 7
Current investments	-	-	-	77	77	-
Trade and other receivables	-	-	-	638	638	-
Restricted bank deposits	-	-	38	-	38	0.80 - 1.10
Investment in available-for-sale securities	-	-	-	51	51	-
	-	-	71	766	837	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	745	745	-
Long-term loan	-	-	93	-	93	MLR minus 1.50
Liabilities under finance lease agreements	-	-	-	47	47	-
	-	-	93	792	885	

(Unit: Million Baht)

As at 31 December 2017

<b>Consolidated financial statements</b>	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	92	-	92	Note 7
Current investments	-	-	-	278	278	-
Trade and other receivables	-	-	-	698	698	-
Restricted bank deposits	-	-	40	-	40	0.40 - 1.10
Investment in available-for-sale securities	-	-	-	56	56	-
	-	-	132	1,032	1,164	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	836	836	-
Short-term loan from other company	25	-	-	-	25	Note 19
Long-term loans	1	-	122	-	123	2.50 and MLR minus 1.50
Liabilities under finance lease agreements	-	-	-	6	6	-
	26	-	122	842	990	

(Unit: Million Baht)

As at 31 December 2018						
Separate financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate  (% p.a.)
	Within 1 year	1-3 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2	-	2	Note 7
Current investments	-	-	-	13	13	-
Short-term loan to related party	21	-	-	-	21	5.00
Restricted bank deposits	-	-	1	-	1	1.10
	<u>21</u>	<u>-</u>	<u>3</u>	<u>13</u>	<u>37</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	9	9	-
Long-term loan	-	-	93	-	93	MLR minus 1.50
	<u>-</u>	<u>-</u>	<u>93</u>	<u>9</u>	<u>102</u>	

(Unit: Million Baht)

As at 31 December 2017						
Separate financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate  (% p.a.)
	Within 1 year	1-3 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1	-	1	Note 7
Current investments	-	-	-	1	1	-
Short-term loan to related party	23	-	-	-	23	5.00
Restricted bank deposits	-	-	1	-	1	1.10
	<u>23</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>26</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	3	3	-
Long-term loans	-	-	122	-	122	MLR minus 1.50
	<u>-</u>	<u>-</u>	<u>122</u>	<u>3</u>	<u>125</u>	

**Foreign currency risk**

The subsidiary's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. As at 31 December 2018, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 6 million (2017: USD 2 million).

As at 31 December 2018 and 2017, the subsidiary had outstanding forward exchange contracts in order to hedge the foreign currency risk as follows:

Consolidated financial statements						
Foreign currency	Bought Amount		Contractual exchange rate of bought amount		Contractual Maturity date	
	(Million)		(Baht per 1 foreign currency unit)			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
US Dollar	5	1	32.27 - 32.99	32.52 - 33.87	22 February - 3 July 2019	19 January - 18 June 2018

### 32.2 Fair values of financial instruments

As the majority of financial instruments are short-term and long-term financial liabilities carry interest rates which are close to market rates, the Company and its subsidiaries expect that fair value of their financial instruments are close to the amounts presented in the statements of financial position.

### 33. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 1.7:1 (2017: 1.9:1) and the Company's was 0.2:1 (2017: 0.3:1).

### 34. Events after the reporting period

On 13 February 2019, the Board of directors meeting passed the resolution to raise the agenda to Annual General Meeting for approval to pay a dividend for the year 2018 to the shareholders of Baht 0.65 per share, a total of Baht 185 million. The Company has already paid an interim dividend of Baht 0.15 per share, a total of Baht 43 million. The remaining dividend is Baht 0.50 per share, a total of Baht 142 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 13 February 2019.