

Premier Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2017

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 2017, 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 2017, 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 2,132 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 judgment 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.

Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 26 February 2018

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	92,245,002	82,741,433	822,279	22,735
Current investments	8	277,940,778	257,744,115	1,481,166	14,844,996
Trade and other receivables	9	698,065,845	514,300,805	-	45,029
Prepaid service cost		198,205,473	185,905,309	-	-
Short-term loan to related party	6	-	-	23,200,000	37,300,000
Inventories	10	288,562,066	121,987,742	-	-
Work in progress		45,764,644	75,183,327	-	-
Other current assets	11	25,964,645	29,505,347	6,465,418	6,738,240
Total current assets		1,626,748,453	1,267,368,078	31,968,863	58,951,000
Non-current assets					
Restricted bank deposits	12	39,852,055	39,455,532	1,203,100	1,203,100
Investment in subsidiaries	13	-	-	325,886,600	325,886,600
Investment in available-for-sale securities	14	55,651,500	50,468,500	-	-
Investment properties	15	152,852,279	156,956,021	253,853,435	260,668,834
Property, plant and equipment	16	170,841,015	185,873,574	8,388	70,168
Intangible assets	17	4,833,735	6,152,635	-	-
Deferred tax assets	26	12,095,387	11,253,539	-	-
Other non-current assets		11,739,169	12,733,146	-	-
Total non-current assets		447,865,140	462,892,947	580,951,523	587,828,702
Total assets		2,074,613,593	1,730,261,025	612,920,386	646,779,702

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 2017

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	18	835,784,503	573,802,871	2,774,603	1,848,672
Advances received for goods and services		274,868,521	193,604,006	-	-
Short-term loans from other company	19	25,213,661	30,988,210	-	-
Current portion of long-term loans	20	29,920,499	29,886,942	28,560,000	28,560,000
Current portion of long-term liabilities					
under finance lease agreements	21	5,712,732	11,421,160	-	-
Income tax payable		2,512,200	-	-	-
Other current liabilities		37,041,884	36,492,020	3,042,789	3,002,104
Total current liabilities		<u>1,211,054,000</u>	<u>876,195,209</u>	<u>34,377,392</u>	<u>33,410,776</u>
Non-current liabilities					
Long-term loans - net of current portion	20	92,900,000	122,820,499	92,900,000	121,460,000
Liabilities under finance lease agreements -					
net of current portion	21	-	5,712,732	-	-
Provision for long-term employee benefits	22	61,599,067	56,524,872	-	-
Other non-current liabilities		4,227,714	3,643,327	7,868,251	7,283,864
Total non-current liabilities		<u>158,726,781</u>	<u>188,701,430</u>	<u>100,768,251</u>	<u>128,743,864</u>
Total liabilities		<u>1,369,780,781</u>	<u>1,064,896,639</u>	<u>135,145,643</u>	<u>162,154,640</u>

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital	23				
Registered					
283,888,942 ordinary shares of Baht 1 each					
(2016: 142,440,489 ordinary shares of Baht 1 each)		<u>283,888,942</u>	<u>142,440,489</u>	<u>283,888,942</u>	<u>142,440,489</u>
Issued and fully paid up					
283,888,942 ordinary shares of Baht 1 each					
(2016: 141,944,471 ordinary shares of Baht 1 each)		283,888,942	141,944,471	283,888,942	141,944,471
Retained earnings					
Appropriated - statutory reserve	24	21,516,932	14,194,447	21,516,932	14,194,447
Unappropriated		391,246,716	505,050,635	172,368,869	328,486,144
Other components of shareholders' equity		<u>8,180,222</u>	<u>4,174,833</u>	-	-
Total shareholders' equity		<u>704,832,812</u>	<u>665,364,386</u>	<u>477,774,743</u>	<u>484,625,062</u>
Total liabilities and shareholders' equity		<u>2,074,613,593</u>	<u>1,730,261,025</u>	<u>612,920,386</u>	<u>646,779,702</u>
		-	-	-	-

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

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 Directors

Premier Technology Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Sales		2,132,150,503	1,768,513,151	-	-
Rental and service income		954,833,048	865,951,500	48,807,013	47,489,279
Dividend income	13	-	-	149,998,200	79,999,040
Other income		67,821,991	50,384,086	2,316,171	2,280,809
Total revenues		3,154,805,542	2,684,848,737	201,121,384	129,769,128
Expenses					
Cost of sales and services		2,308,946,180	1,897,857,413	27,997,526	26,687,695
Selling expenses		224,594,936	229,457,142	-	-
Administrative expenses		368,599,648	347,116,880	19,337,280	6,555,712
Reversal of allowance for impairment of investment in subsidiary	13	-	-	-	(103,160,339)
Total expenses (reversal of expenses)		2,902,140,764	2,474,431,435	47,334,806	(69,916,932)
Profit before finance cost and income tax expenses		252,664,778	210,417,302	153,786,578	199,686,060
Finance cost		(13,380,515)	(8,914,515)	(6,837,860)	(8,289,671)
Profit before income tax expenses		239,284,263	201,502,787	146,948,718	191,396,389
Income tax expenses	26	(46,037,687)	(37,214,309)	(499,008)	-
Profit for the year		193,246,576	164,288,478	146,449,710	191,396,389
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain on change in value of available-for-sale securities		5,183,000	5,136,500	-	-
Less: Income tax effect	26	(1,036,601)	(1,027,300)	-	-
Exchange differences on translation of financial statements in foreign currency		(141,010)	(38)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		4,005,389	4,109,162	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent period:</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)	-	-	-
Other comprehensive income for the year		(478,121)	4,109,162	-	-
Total comprehensive income for the year		192,768,455	168,397,640	146,449,710	191,396,389
			(Restated)		(Restated)
Basic earnings per share					
Profit for the year	28	0.68	0.58	0.52	0.67

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 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	239,284,263	201,502,787	146,948,718	191,396,389
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on change in value of current investments	(30,838)	(367,079)	(697)	(77,689)
Doubtful accounts (reversal)	1,489,744	(11,164,521)	-	-
Reduce cost of inventory to net realisable value	946,710	7,928,837	-	-
Depreciation	45,929,957	47,226,074	10,063,739	9,550,018
(Gain) loss on sales of equipment	(277,726)	273,169	-	-
Amortisation of intangible assets	1,318,899	1,318,899	-	-
Reversal of allowance for impairment of investment in subsidiary	-	-	-	(103,160,339)
Amortisation of prepaid rental expenses	999,629	1,001,226	-	-
Long-term employee benefits expenses (reversal)	(530,192)	6,786,236	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(149,998,200)	(79,999,040)
Interest expenses	13,260,515	8,914,515	6,837,860	8,289,671
Profit from operating activities before changes in operating assets and liabilities	302,390,961	263,420,143	13,851,420	25,999,010
(Increase) decrease in operating assets				
Trade and other receivables	(185,254,783)	128,151,150	45,029	3,209,793
Prepaid service cost	(12,300,163)	(46,270,127)	-	-
Inventories	(167,521,034)	57,602,460	-	-
Work in progress	29,418,683	(12,663,166)	-	-
Other current assets	4,908,181	(2,630,328)	1,530,609	3,353,861
Other non-current assets	(5,651)	(553,495)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	261,981,631	(57,905,224)	917,118	(4,164)
Advances received for goods and services	81,264,515	14,779,767	-	-
Other current liabilities	541,049	21,777,938	40,687	329,268
Other non-current liabilities	584,387	(5,455,531)	584,387	(337,371)
Cash flows from operating activities	316,007,776	360,253,587	16,969,250	32,550,397
Cash paid for interest expenses	(13,251,701)	(8,873,463)	(6,829,047)	(8,248,619)
Cash paid for income tax	(45,650,537)	(41,639,056)	(1,756,796)	(1,499,312)
Net cash flows from operating activities	257,105,538	309,741,068	8,383,407	22,802,466

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 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Increase in fixed deposits	-	(14,343)	-	(14,343)
(Increase) decrease in current investments	(20,165,825)	(173,761,750)	13,364,527	(14,643,197)
Decrease in short-term loan to related party	-	-	14,100,000	4,200,000
Increase in restricted bank deposits	(396,524)	(4,815,970)	-	-
Renovation of investment properties	(1,915,509)	(4,411,480)	(3,181,232)	(7,326,482)
Acquisition of equipment	(25,309,821)	(37,603,697)	(5,329)	(2,870)
Proceeds from sales of equipment	709,400	234,882	-	-
Dividend received from investment in subsidiary	-	-	149,998,200	79,999,040
Net cash flows from (used in) investing activities	<u>(47,078,279)</u>	<u>(220,372,358)</u>	<u>174,276,166</u>	<u>62,212,148</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from other company	(5,774,549)	24,470,561	-	-
Cash received from long-term loans	-	3,989,950	-	-
Repayment of long-term loans	(29,886,942)	(29,862,509)	(28,560,000)	(28,560,000)
Repayment of liabilities under finance lease agreements	(11,421,160)	(15,549,357)	-	-
Increase in liabilities under finance lease agreements	-	11,390,687	-	-
Dividend paid	<u>(153,300,029)</u>	<u>(56,777,788)</u>	<u>(153,300,029)</u>	<u>(56,777,788)</u>
Net cash flows used in financing activities	<u>(200,382,680)</u>	<u>(62,338,456)</u>	<u>(181,860,029)</u>	<u>(85,337,788)</u>
Exchange differences on translation				
of financial statements in foreign currency	<u>(141,010)</u>	<u>(38)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	9,503,569	27,030,216	799,544	(323,174)
Cash and cash equivalents at beginning of the year	<u>82,741,433</u>	<u>55,711,217</u>	<u>22,735</u>	<u>345,909</u>
Cash and cash equivalents at end of the year	<u>92,245,002</u>	<u>82,741,433</u>	<u>822,279</u>	<u>22,735</u>
	-	-	-	-
Supplementary disclosures of cash flows information:				
Non-cash items				
Transfer of inventories to equipment	-	11,390,687	-	-
Transfer of current investments to available-for-sale securities	-	45,332,000	-	-
Increase share capital for distribution of stock dividend	141,944,471	-	141,944,471	-

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 2017

(Unit: Baht)

Consolidated financial statements

	Consolidated financial statements						Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		Other components of shareholders' equity			
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income		Total other components of shareholders' equity	
				Gain on change in value of available-for-sale securities	Exchange differences on translation of financial statements in foreign currency		
Balance as at 1 January 2016	141,944,471	14,194,447	397,539,945	-	65,671	65,671	553,744,534
Profit for the year	-	-	164,288,478	-	-	-	164,288,478
Other comprehensive income for the year	-	-	-	4,109,200	(38)	4,109,162	4,109,162
Total comprehensive income for the year	-	-	164,288,478	4,109,200	(38)	4,109,162	168,397,640
Dividend paid (Note 31)	-	-	(56,777,788)	-	-	-	(56,777,788)
Balance as at 31 December 2016	<u>141,944,471</u>	<u>14,194,447</u>	<u>505,050,635</u>	<u>4,109,200</u>	<u>65,633</u>	<u>4,174,833</u>	<u>665,364,386</u>
Balance as at 1 January 2017	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 31)	141,944,471	-	(141,944,471)	-	-	-	-
Dividend paid (Note 31)	-	-	(153,300,029)	-	-	-	(153,300,029)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	7,322,485	(7,322,485)	-	-	-	-
Balance as at 31 December 2017	<u>283,888,942</u>	<u>21,516,932</u>	<u>391,246,716</u>	<u>8,255,599</u>	<u>(75,377)</u>	<u>8,180,222</u>	<u>704,832,812</u>

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 2017

(Unit: Baht)

	Separate financial statements			Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	141,944,471	14,194,447	193,867,543	350,006,461
Profit for the year	-	-	191,396,389	191,396,389
Total comprehensive income for the year	-	-	191,396,389	191,396,389
Dividend paid (Note 31)	-	-	(56,777,788)	(56,777,788)
Balance as at 31 December 2016	<u>141,944,471</u>	<u>14,194,447</u>	<u>328,486,144</u>	<u>484,625,062</u>
				-
Balance as at 1 January 2017	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 31)	141,944,471	-	(141,944,471)	-
Dividend paid (Note 31)	-	-	(153,300,029)	(153,300,029)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	7,322,485	(7,322,485)	-
Balance as at 31 December 2017	<u>283,888,942</u>	<u>21,516,932</u>	<u>172,368,869</u>	<u>477,774,743</u>

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 2017

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	
			<u>2017</u> Percent	<u>2016</u> 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 year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. 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 in the future

During the current year, the Federation of Accounting Professions issued a number of 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 management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 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 judgment.

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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	150	80	As announcement
Rental and service income	-	-	29	33	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	57	59	-	-	Note 6.1
Rental and service income	11	12	11	12	Contract price, which is price in the ordinary course of business
Cost of sales and services	1	1	-	-	Contract price, which is price in the ordinary course of business
Administrative expenses	22	19	7	3	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 2017 and 2016 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties (Note 9)</u>				
Related companies (related by common directors)	431	2,672	-	-
	<u>431</u>	<u>2,672</u>	<u>-</u>	<u>-</u>
<u>Amounts due to related parties (Note 18)</u>				
Related companies (related by common directors)	2,554	3,903	874	25
	<u>2,554</u>	<u>3,903</u>	<u>874</u>	<u>25</u>

Short-term loan to related party

As at 31 December 2017 and 2016, 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	
Related by	<u>31 December 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2017</u>
<u>Short-term loan to related party</u>				
Datapro Computer Systems Company Limited Subsidiary	37,300	50,000	(64,100)	23,200
	<u>37,300</u>	<u>50,000</u>	<u>(64,100)</u>	<u>23,200</u>

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 (2016: 5.0 percent per annum).

Directors and management's benefits

During the years ended 31 December 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	36	37	1	1
Post-employment benefits	1	2	-	-
Total	<u>37</u>	<u>39</u>	<u>1</u>	<u>1</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	115	115	5	5
Cheque on hand	-	40,355	-	-
Bank deposits	<u>92,130</u>	<u>42,271</u>	<u>817</u>	<u>18</u>
Total	<u>92,245</u>	<u>82,741</u>	<u>822</u>	<u>23</u>

As at 31 December 2017, bank deposits carried interests between 0.13 and 0.80 percent per annum (2016: between 0.20 and 0.50 percent per annum).

8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Fixed deposit	-	124	-	124
Investments in unit trust in debt securities				
open-ended fund (fair value)	<u>277,941</u>	<u>257,620</u>	<u>1,481</u>	<u>14,721</u>
Total	<u>277,941</u>	<u>257,744</u>	<u>1,481</u>	<u>14,845</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>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u> (Note 6)		
Aged on the basis of due dates		
Not yet due	402	883
Past due		
Up to 3 months	29	1,789
Total trade receivables - related parties	431	2,672
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	471,508	275,549
Past due		
Up to 3 months	109,358	127,617
3 - 6 months	9,689	2,169
6 - 12 months	1,174	116
Over 12 months	10,478	9,517
Total	602,207	414,968
Less: Allowance for doubtful debts	(11,065)	(9,575)
Total trade receivables - unrelated parties, net	591,142	405,393
Total trade receivables - net	591,573	408,065
<u>Other receivables</u>		
Other receivables	-	45
Unbilled receivables	63,037	89,370
Accrued income	43,456	16,821
Total other receivables	106,493	106,236
Total trade and other receivables - net	698,066	514,301

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	<u>2017</u>	<u>2016</u>
<u>Other receivables</u>		
Other receivables	-	45
Total other receivables	-	45

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	50,205	53,430	(14,507)	(13,560)	35,698	39,870
Goods under installation	249,264	73,547	-	-	249,264	73,547
Goods in transit	3,600	8,571	-	-	3,600	8,571
Total	303,069	135,548	(14,507)	(13,560)	288,562	121,988

During the current year, the subsidiary reduced cost of inventories by Baht 6 million (2016: Baht 14 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 5 million (2016: Baht 6 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Withholding tax deducted at source	5,434	5,726	2,921	3,323
Prepaid expenses	13,732	13,728	285	229
Others	6,799	10,051	3,259	3,186
Total other current assets	25,965	29,505	6,465	6,738

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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
			(%)	(%)				
<u>Subsidiary directly held by the Company</u>								
Datapro Computer Systems Company Limited								
	100,000	100,000	100	100	325,887	325,887	149,998	79,999
<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>149,998</u>	<u>79,999</u>

*Thousand USD

During 2016, the Company's management reviewed the recoverable values of investment in subsidiary, which was recorded under the cost method in the separate financial statements. As the subsidiary has had net profits from its operations and has paid dividends to its shareholders for many years. In addition, having taken into consideration the operating results of the current period and future earnings projections, the Company's management concluded that the indicators of impairment of these investment has no longer exist. The Company therefore reversed allowance for impairment of investment in subsidiary of Baht 103 million in the separate financial statements for the year 2016, presenting the reversal as a separate item in profit or loss.

In April 2016, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2015 of Baht 80 per share, a total of Baht 80 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2016.

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.

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>2017</u>	<u>2016</u>
Investment in unit trust in equity securities open-ended fund - cost	45,332	45,332
Add: Surplus on changes in value of investments	10,320	5,137
Fair value	<u>55,652</u>	<u>50,469</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 2017 and 2016 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 2017:		
Cost	182,049	302,343
<u>Less</u> Accumulated depreciation	(29,197)	(48,490)
Net book value	<u>152,852</u>	<u>253,853</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 2016:		
Cost	180,134	299,162
<u>Less</u> Accumulated depreciation	(23,178)	(38,493)
Net book value	<u>156,956</u>	<u>260,669</u>

A reconciliation of the net book value of investment properties for the year 2017 and 2016 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	156,956	158,252	260,669	262,820
Renovation of office building	1,915	4,411	3,181	7,327
Depreciation charged	<u>(6,019)</u>	<u>(5,707)</u>	<u>(9,997)</u>	<u>(9,478)</u>
Net book value at end of year	<u>152,852</u>	<u>156,956</u>	<u>253,853</u>	<u>260,669</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 as at 31 December 2017, 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. (2016: The fair value of the investment properties, amounting to Baht 432 million, determined based on market price for land and the cost approach for building for rent. The disclosed fair values were based on the use of Level 2 inputs).

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	
Cost:							
1 January 2016	55,894	60,118	146,806	319,989	1,066	-	583,873
Additions	-	2,295	4,918	41,161	-	620	48,994
Disposals	-	-	(1,720)	(16,727)	-	-	(18,447)
31 December 2016	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
Accumulated depreciation:							
1 January 2016	-	11,443	110,551	281,936	1,037	-	404,967
Depreciation for the year	-	3,771	11,010	26,709	29	-	41,519
Depreciation on disposals	-	-	(1,311)	(16,629)	-	-	(17,940)
31 December 2016	-	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
Net book value:							
31 December 2016	55,894	47,199	29,754	52,407	-	620	185,874
31 December 2017	55,894	45,108	22,314	47,525	-	-	170,841
Depreciation for the year:							
2016 (Baht 14 million included in service cost, and the balance in administrative expenses)							41,519
2017 (Baht 18 million included in service cost, and the balance in administrative expenses)							39,911

16. Property, plant and equipment (continued)

	(Unit: Thousand Baht)
	Separate financial statements
	Furniture and office equipment
Cost:	
1 January 2016	389
Additions	3
31 December 2016	392
Additions	5
31 December 2017	397
Accumulated depreciation:	
1 January 2016	250
Depreciation for the year	72
31 December 2016	322
Depreciation for the year	67
31 December 2017	389
Net book value:	
31 December 2016	70
31 December 2017	8
Depreciation for the year (include in administrative expenses):	
2016	72
2017	67

As at 31 December 2017 and 2016, 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 2017, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 6 million (2016: Baht 18 million).

As at 31 December 2017, 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 (2016: Baht 331 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 2017:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(8,354)</u>
Net book value	<u><u>4,834</u></u>
As at 31 December 2016:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(7,035)</u>
Net book value	<u><u>6,153</u></u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	6,153	7,472
Amortisation	<u>(1,319)</u>	<u>(1,319)</u>
Net book value at end of year	<u><u>4,834</u></u>	<u><u>6,153</u></u>

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - unrelated parties	671,486	413,991	1,396	1,400
Amounts due to related parties (Note 6)	2,554	3,903	874	25
Accrued expenses	<u>161,745</u>	<u>155,909</u>	<u>505</u>	<u>424</u>
Total trade and other payables	<u><u>835,785</u></u>	<u><u>573,803</u></u>	<u><u>2,775</u></u>	<u><u>1,849</u></u>

19. Short-term loans from other company

As at 31 December 2017, short-term loan amounting to Baht 25 million, is loan granted to the subsidiary under agreements with a local company, in order to make payment for goods. The principal and interest are to be repaid in monthly installments, and which carry interest at a rate of 3.30 percent per annum (2016: short-term loans of a subsidiary, amounting to Baht 31 million consisted of the loans of Baht 15 million of which principal was to be repaid in quarterly installments, and which carried interest at a rate of zero percent per annum and a loan of Baht 16 million on which principle and interest were to be repaid in quarterly installments, and of which interest was charged at flat rate of 0.95 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	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Long-term loans	122,820	152,707	121,460	150,020
Less: Current portion	(29,920)	(29,887)	(28,560)	(28,560)
Long-term loans - net of current portion	<u>92,900</u>	<u>122,820</u>	<u>92,900</u>	<u>121,460</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.

During the year 2016, the subsidiary had entered into a loan agreement with a company amounting to Baht 4 million for use in the purchase of assets of the subsidiary. Such loan is to be repaid in monthly installments within 3 years from the dates specified in the agreement, together with interest as stipulated in the agreement.

21. Liabilities under finance lease agreements

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</u>
Liabilities under finance lease agreements	5,713	17,206
Less: Deferred interest expenses	-	(72)
	<u>5,713</u>	<u>17,134</u>
Less: Current portion	(5,713)	(11,421)
Liabilities under finance lease agreements - net of current portion	<u>-</u>	<u>5,713</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 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 2017		
	Less than		
	1 year	1-3 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>

	(Unit: Million Baht)		
	As at 31 December 2016		
	Less than		
	1 year	1-3 years	Total
Future minimum lease payments	11	6	17
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	<u>11</u>	<u>6</u>	<u>17</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>2017</u>	<u>2016</u>
Provision for long-term employee benefits at beginning of year	56,525	54,857
Included in profit or loss:		
Current service cost	4,667	4,521
Interest cost	1,752	2,265
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	-	(5,118)
Provision for long-term employee benefits at end of year	<u>61,599</u>	<u>56,525</u>

Long-term employee benefit expenses presented in administrative expenses which included in the profit or loss for the year ended 31 December 2017 and 2016.

The subsidiary expects not to pay long-term employee benefits during the next year (2016: the subsidiary expected to pay Baht 1 million of long-term employee benefits during 2017).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit of subsidiary is 17 years (2016: 13 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</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 2017 and 2016, are summarised below:

(Unit: Million Baht)

	Consolidated financial statements			
	2017		2016	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7)	8	(5)	6
Salary increase rate	8	(7)	6	(5)
Turnover rate	(5)	6	(5)	5

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 discuss in note 31 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries and other employee benefits	523,506	525,524	1,362	1,410
Depreciation	45,931	47,226	10,064	9,550
Rental expenses from operating lease agreements	29,828	29,504	-	-
Purchase of goods and services	2,402,304	1,762,771	-	-
Changes in finished goods and goods under installation	(172,492)	67,096	-	-

26. Income tax expenses

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current corporate income tax charge	46,795	37,610	499	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(757)	(396)	-	-
Income tax expenses reported in the statements of comprehensive income	<u>46,038</u>	<u>37,214</u>	<u>499</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain on change in value of available-for-sale securities	1,037	1,027	-	-
Deferred tax relating to actuarial losses	(1,121)	-	-	-
	<u>(84)</u>	<u>1,027</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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>239,284</u>	<u>201,503</u>	<u>146,949</u>	<u>191,396</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	47,857	40,301	29,390	38,279
Utilisation of previous unrecognised tax losses				
as deferred tax assets	(896)	(1,518)	(896)	(1,518)
Tax loss for the year which unrecognised as deferred tax assets	13	20	-	-
Reversal of deferred tax assets	-	2,040	-	-
Promotional tax privileges from the Board of Investment	(1,714)	(1,569)	-	-
Effects of:				
Reversal of allowance for impairment of investment in subsidiary	-	-	-	(20,632)
Tax-exempt income	-	-	(30,000)	(16,000)
Non-deductible expenses	2,658	428	2,054	157
Additional expense deductions allowed	(1,880)	(2,488)	(49)	(286)
Total	<u>778</u>	<u>(2,060)</u>	<u>(27,995)</u>	<u>(36,761)</u>
Income tax expenses reported in the statement of comprehensive income	<u>46,038</u>	<u>37,214</u>	<u>499</u>	<u>-</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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Allowance for diminution in value of inventories	2,901	2,712	-	-
Provision for long-term employee benefits	12,320	11,305	-	-
Total	15,221	14,017	-	-
Deferred tax liabilities				
Difference depreciation between tax and accounting base of assets under finance lease agreements	1,989	2,612	-	-
Revaluation of investment in available for sale securities	1,131	94	-	-
Other	6	57	-	-
Total	3,126	2,763	-	-
Total deferred tax assets - net	12,095	11,254	-	-

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 2017 and 2016, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	2017			2016		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Rental and service income	23,137	931,696	954,833	22,002	843,950	865,952

28. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as discussed in Note 31 to the financial statements. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Restated)		(Restated)
Profit for the year (Thousand Baht)	193,247	164,288	146,450	191,396
Number of ordinary shares (Thousand shares)	283,889	283,889	283,889	283,889
Basic earnings per share (Baht/share)	0.68	0.58	0.52	0.67

29. 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 2017 and 2016.

(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	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues								
Revenues from external customers								
Sales	2,132	1,769	-	-	-	-	2,132	1,769
Rental and service income	935	852	20	14	-	-	955	866
Total revenues from external customers	3,067	2,621	20	14	-	-	3,087	2,635
Inter-segment revenues	-	-	29	33	(29)	(33)	-	-
Total revenues	3,067	2,621	49	47	(29)	(33)	3,087	2,635
Segment profit	296	248	4	4	-	-	300	252
Unallocated income and expenses:								
Other income							68	50
Selling expenses							(21)	(21)
Administrative expenses							(95)	(71)
Finance cost							(13)	(9)
Profit before income tax expenses							239	201
Income tax expenses							(46)	(37)
Profit for the year							193	164

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 2017, the Company and its subsidiary have revenue from three major customers in amount of Baht 969 million (2016: Baht 580 million derived from three major customers), arising from distribution and provision of services relating to computer and computer systems segment.

30. 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 2017 amounting to approximately Baht 14 million (2016: Baht 13 million) were recognised as expenses.

31. Dividends

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final Dividend for 2015	Annual General Meeting of the shareholders on 20 April 2016		
- Cash dividend		40	0.28
Interim dividend for 2016	Board of Directors' meeting on 10 August 2016	17	0.12
Total dividends paid in 2016		57	
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
		267	1.88
Interim dividend for 2017	Board of Directors' meeting on 9 August 2017	28	0.10
Total dividends paid in 2017		295	

32. Commitments and contingent liabilities

32.1 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 2017 and 2016, future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Payable:		
In up to 1 year	18	24
In over 1 year and up to 5 years	9	27

32.2 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 (2016: Baht 0.7 million per month) are payable in the future, with Baht 0.6 million per month (2016: Baht 0.2 million per month) payable by the Company. The agreements end in December 2018 but they automatically renew for periods of one year each time until terminated.

32.3 Bank guarantees

As at 31 December 2017, the Company and its subsidiary have outstanding bank guarantees of approximately Baht 115 million and USD 0.02 million (2016: Baht 105 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 114 million (2016: Baht 104 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2016: Baht 1 million) to guarantee electricity use of the Company.

33. Financial instruments

33.1 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, 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 2017

Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
Financial assets						
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	
Financial liabilities						
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 - 1.50
Liabilities under finance lease agreements	-	-	-	6	6	-
	26	-	122	842	990	

(Unit: Million Baht)

As at 31 December 2016

Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
Financial assets						
Cash and cash equivalents	-	-	43	40	83	Note 7
Current investments	-	-	-	258	258	-
Trade and other receivables	-	-	-	514	514	-
Restricted bank deposits	-	-	39	-	39	0.40 - 1.10
Investment in available-for-sale securities	-	-	-	50	50	-
	-	-	82	862	944	
Financial liabilities						
Trade and other payables	-	-	-	574	574	-
Short-term loan from other company	16	-	-	15	31	Note 19
Long-term loans	1	2	150	-	153	2.50 and MLR - 1.50
Liabilities under finance lease agreements	11	6	-	-	17	0.74 - 7.50
	28	8	150	589	775	

(Unit: Million Baht)

As at 31 December 2017

Separate financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
Financial assets						
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>	
Financial liabilities						
Trade and other payables	-	-	-	3	3	-
Long-term loans	-	-	122	-	122	MLR - 1.50
	<u>-</u>	<u>-</u>	<u>122</u>	<u>3</u>	<u>125</u>	

(Unit: Million Baht)

As at 31 December 2016

Separate financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
Financial assets						
Current investments	-	-	-	15	15	-
Short-term loan to related party	37	-	-	-	37	5.00
Restricted bank deposits	-	-	1	-	1	1.10
	<u>37</u>	<u>-</u>	<u>1</u>	<u>15</u>	<u>53</u>	
Financial liabilities						
Trade and other payables	-	-	-	2	2	-
Long-term loans	-	-	150	-	150	MLR - 1.50
	<u>-</u>	<u>-</u>	<u>150</u>	<u>2</u>	<u>152</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 2017, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 2 million (2016: USD 3 million).

As at 31 December 2017 and 2016, 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	
	(Million)		(Baht per 1 foreign currency unit)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
US Dollar	1	2	32.52 - 33.87	35.57 - 36.01

33.2 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.

34. 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 2017, the Group's debt-to-equity ratio was 1.9:1 (2016: 1.6:1) and the Company's was 0.3:1 (2016: 0.3:1).

35. Events after the reporting period

On 26 February 2018, 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 2017 to the shareholders of Baht 0.5 per share, a total of Baht 142 million. The Company has already paid an interim dividend of Baht 0.1 per share, a total of Baht 28 million. The remaining dividend is Baht 0.4 per share, a total of Baht 114 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2018.