

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
AND INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Castle Peak Holdings Public Company Limited

Opinion

I have audited the financial statements of Castle Peak Holdings Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Castle Peak Holdings Public Company Limited and its subsidiaries and as at December 31, 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 judgment, 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 determined the matters described below to be the key audit matters.



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Loss on impairment of assets

Risk

As disclosed in Note 10, the group management has considered the recover value of assets and provided the allowance for impairment of investment of Baht 41.00 million in the separate financial statements and allowance for doubtful accounts of other receivable and accrued interest income totaling Baht 88.29 million and allowance for doubtful accounts of loans of Baht 3.00 million in the consolidated and separate financial statements.

I focused on this area as the amount of an impairment of assets is significant and the determining the appropriate level depends on judgment made by management in assessing future recoverable value.

My audit addressed the risk

My procedures included an examining of relevance supporting evidences, evaluating and interviewing management's judgment and assumption used, and checked the consistency of underlying assumptions and the adequacy of disclosure.

Unrecognised deferred tax assets

Risk

As disclosed in Note 17, the Group has not recorded deferred tax assets amounting to Baht 40.67 million in the consolidated financial statements and Baht 30.18 million in the separate financial statements due to the recognition of deferred tax assets are based on this opportunity by implementing that relies on the discretion of the management. The expectation for utilization of the asset is dependent on many factors, including the appropriateness of the temporary differences of tax and the adequacy of future taxable income to support such recognition.

I focused on this area as the amount of unrecognized deferred tax assets is significant and the determining the appropriate level depends on judgment made by management in assessing future taxable income.

My audit addressed the risk

My procedures included evaluating and interviewing management's judgment and assumption used, and assessed the past performance against business plans used by the Group to determine the future taxable income.



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 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 judgment 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruet.



(Mr. Jadesada Hungsapruet)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

February 27, 2019

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

					Unit : Baht
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	6	12,118,254.32	33,171,363.55	4,899,733.88	16,802,891.14
Trade and other current receivables	7	282,186,453.81	170,177,920.44	168,324,146.36	83,902,225.23
Inventories					
- Garment business	8	278,347,198.62	231,411,639.46	190,223,299.97	153,570,045.66
- Real estate business	5, 9	241,422,655.40	200,096,023.57	118,354,699.25	70,541,584.34
Current portion of long-term loans	5, 10	30,000,000.00	57,700,000.00	30,000,000.00	57,700,000.00
Short-term loans and advances	5	202,812,768.00	205,052,106.00	220,412,768.00	227,859,414.40
Total current assets		1,046,887,330.15	897,609,053.02	732,214,647.46	610,376,160.77
Non-current assets					
Long-term loans and other non-current receivables	5, 10	29,500,000.00	37,500,000.00	29,500,000.00	37,500,000.00
Investments in subsidiaries and associates	10	3,018,325.22	3,019,201.72	248,007,380.00	248,007,380.00
Other long-term investments		1,209,425.00	1,519,470.00	1,017,600.00	1,290,900.00
Property, plant and equipment	11	385,037,897.71	402,181,314.17	229,449,352.45	243,404,314.16
Investment properties	12	58,560,552.20	108,914,040.72	58,962,207.20	109,315,695.72
Deposits with commitment	13	23,219,120.93	5,225,632.46	21,357,243.28	3,365,447.83
Deferred tax assets	17	2,129,537.44	218,468.48	-	-
Other non - current assets		16,489,070.46	16,170,447.36	7,439,333.42	7,437,758.09
Total non - current assets		519,163,928.96	574,748,574.91	595,733,116.35	650,321,495.80
Total assets		1,566,051,259.11	1,472,357,627.93	1,327,947,763.81	1,260,697,656.57

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and equity					
Current liabilities					
Overdrafts and short - term loans from financial institutions	14	515,899,585.74	442,117,321.00	391,951,367.82	313,361,633.10
Trade and other current payables	15	143,989,397.87	101,286,230.32	104,086,716.13	62,016,605.44
Current portion of long-term loans from a financial institution	16	7,040,000.00	12,000,000.00	-	-
Short-term loans	5	-	-	92,847,000.00	112,247,000.00
Total current liabilities		666,928,983.61	555,403,551.32	588,885,083.95	487,625,238.54
Non-current liabilities					
Long-term loans from a financial institution	16	-	7,000,000.00	-	-
Deferred tax liabilities	17	61,947,385.94	71,467,669.01	37,870,931.09	43,320,696.13
Non-current provisions for employee benefit	18	48,550,595.00	43,131,696.00	27,245,697.00	24,613,225.00
Total non-current liabilities		110,497,980.94	121,599,365.01	65,116,628.09	67,933,921.13
Total liabilities		777,426,964.55	677,002,916.33	654,001,712.04	555,559,159.67
Equity					
Share capital					
Authorized share capital					
40,000,000 common shares, Baht 10 par value		400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00
Issued and paid - up share capital					
40,000,000 common shares, Baht 10 par value		400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00
Premium on ordinary shares		164,000,000.00	164,000,000.00	164,000,000.00	164,000,000.00
Retained earnings					
Appropriated - legal reserve		31,839,616.42	31,839,616.42	31,839,616.42	31,839,616.42
Unappropriated		(58,750,674.39)	(74,130,360.94)	(66,623,698.99)	(52,122,034.18)
Other components of equity		251,505,112.53	273,615,216.12	144,730,134.34	161,420,914.66
Equity attributable to owners of the Company		788,594,054.56	795,324,471.60	673,946,051.77	705,138,496.90
Non-controlling interests		30,240.00	30,240.00	-	-
Total equity		788,624,294.56	795,354,711.60	673,946,051.77	705,138,496.90
Total liabilities and equity		1,566,051,259.11	1,472,357,627.93	1,327,947,763.81	1,260,697,656.57

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenue from sales	5	1,590,150,059.76	1,190,102,659.04	946,779,294.84	798,210,060.96
Cost of sales	5	1,386,166,355.76	1,106,451,877.10	839,281,108.77	737,838,848.90
Gross profit		203,983,704.00	83,650,781.94	107,498,186.07	60,371,212.06
Interest income	5	2,430,890.95	1,787,030.96	3,968,098.55	2,456,547.30
Gain on exchange rate		626,399.66	14,250,524.93	-	11,350,359.56
Other income	12	2,714,045.11	3,507,685.89	13,782,643.94	2,423,177.52
Profit before expenses		209,755,039.72	103,196,023.72	125,248,928.56	76,601,296.44
Distribution costs		66,925,100.71	45,391,439.78	50,417,788.72	31,879,166.09
Administrative expenses	5	127,775,856.84	116,672,675.45	82,107,257.80	76,994,256.51
Financial costs	5	33,214,974.74	26,152,207.43	29,366,092.21	25,381,002.14
Total expenses		227,915,932.29	188,216,322.66	161,891,138.73	134,254,424.74
Share of loss (profit) of investment in an associate	10	876.50	4,421.96	-	-
Profit (loss) before income tax expense		(18,161,769.07)	(85,024,720.90)	(36,642,210.17)	(57,653,128.30)
Income tax expense (income)	20	(11,431,352.03)	12,290,316.27	(5,449,765.04)	13,089,544.33
Profit (loss) for the year		(6,730,417.04)	(97,315,037.17)	(31,192,445.13)	(70,742,672.63)
Other comprehensive income					
Item that is or may be reclassified to profit or loss :					
Currency translation change in an associate	10	-	-	-	-
Item that will not be reclassified to profit or loss :					
Land and buildings - revaluation surplus	11		156,398,341.01	-	126,851,149.25
Other comprehensive income before income tax expense		-	156,398,341.01	-	126,851,149.25
Income tax expense	20	-	(31,279,668.20)	-	(25,370,229.85)
Other comprehensive income (loss) for the year		-	125,118,672.81	-	101,480,919.40
Total comprehensive income for the year		(6,730,417.04)	27,803,635.64	(31,192,445.13)	30,738,246.77
Profit (loss) attributable to :					
Owners of the Company		(6,730,417.04)	(97,315,037.17)	(31,192,445.13)	(70,742,672.63)
Non-controlling interests		-	-	-	-
Profit (loss) for the period		(6,730,417.04)	(97,315,037.17)	(31,192,445.13)	(70,742,672.63)
Total comprehensive income attributable to:					
Owners of the Company		(6,730,417.04)	27,803,635.64	(31,192,445.13)	30,738,246.77
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		(6,730,417.04)	27,803,635.64	(31,192,445.13)	30,738,246.77
Basic earnings (loss) per share		(0.17)	(2.43)	(0.78)	(1.77)
Weighted average number of ordinary shares (shares)		40,000,000	40,000,000	40,000,000	40,000,000

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

	Consolidated financial statements										Unit : Baht
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Revaluation increment in land and building	Other components of equity			Equity		Total
			Legal reserve	Unappropriated		Currency translation changes in associate	other components of equity	attributable to owners of the Company	Non- controlling interests		
Balance as of January 1, 2017	400,000,000.00	164,000,000.00	31,839,616.42	8,307,222.64	163,373,996.90	-	163,373,996.90	767,520,835.96	30,240.00	767,551,075.96	
Comprehensive income for the year :											
Profit (loss)	-	-	-	(97,315,037.17)	-	-	-	(97,315,037.17)	-	(97,315,037.17)	
Other comprehensive income	-	-	-	-	125,118,672.81	-	125,118,672.81	125,118,672.81	-	125,118,672.81	
Total comprehensive income for the year	-	-	-	(97,315,037.17)	125,118,672.81	-	125,118,672.81	27,803,635.64	-	27,803,635.64	
Transfer to retained earnings	-	-	-	14,877,453.59	(14,877,453.59)	-	(14,877,453.59)	-	-	-	
Balance at December 31, 2017	400,000,000.00	164,000,000.00	31,839,616.42	(74,130,360.94)	273,615,216.12	-	273,615,216.12	795,324,471.60	30,240.00	795,354,711.60	
Comprehensive income for the year :											
Profit or loss	-	-	-	(6,730,417.04)	-	-	-	(6,730,417.04)	-	(6,730,417.04)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the year	-	-	-	(6,730,417.04)	-	-	-	(6,730,417.04)	-	(6,730,417.04)	
Transfer to retained earnings	-	-	-	22,110,103.59	(22,110,103.59)	-	(22,110,103.59)	-	-	-	
Balance at December 31, 2018	400,000,000.00	164,000,000.00	31,839,616.42	(58,750,674.39)	251,505,112.53	-	251,505,112.53	788,594,054.56	30,240.00	788,624,294.56	

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

	Separate financial statements						Unit : Baht
	Retained earnings			Other components of equity			
	Issued and paid - up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Revaluation increment in land and building	other components of equity	Total
Balance as of January 1, 2017	400,000,000.00	164,000,000.00	31,839,616.42	7,780,505.91	70,780,127.80	70,780,127.80	674,400,250.13
Comprehensive income for the year :							
Profit or loss	-	-	-	(70,742,672.63)	-	-	(70,742,672.63)
Other comprehensive income	-	-	-	-	101,480,919.40	101,480,919.40	101,480,919.40
Total comprehensive income (loss) for the year	-	-	-	(70,742,672.63)	101,480,919.40	101,480,919.40	30,738,246.77
Transfer to retained earnings	-	-	-	10,840,132.54	(10,840,132.54)	(10,840,132.54)	-
Balance at December 31, 2017	400,000,000.00	164,000,000.00	31,839,616.42	(52,122,034.18)	161,420,914.66	161,420,914.66	705,138,496.90
Comprehensive income for the year :							
Profit or loss	-	-	-	(31,192,445.13)	-	-	(31,192,445.13)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	(31,192,445.13)	-	-	(31,192,445.13)
Transfer to retained earnings	-	-	-	16,690,780.32	(16,690,780.32)	(16,690,780.32)	-
Balance at December 31, 2018	400,000,000.00	164,000,000.00	31,839,616.42	(66,623,698.99)	144,730,134.34	144,730,134.34	673,946,051.77

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	(18,161,769.07)	(85,024,720.90)	(36,642,210.17)	(57,653,128.30)
Adjustments to reconcile profit (loss) to cash provided by (used in) :				
Trade and other current receivables (increase) decrease	(118,496,377.51)	(6,500,573.37)	(89,549,290.73)	26,283,171.59
Inventories (increase) decrease				
- Garment business	(45,691,204.45)	(24,806,834.41)	(38,406,644.27)	2,033,590.34
- Real estate business	8,753,259.83	20,857,588.23	(10,474,218.91)	23,147,225.56
Other non - current assets (increase) decrease	4,541.50	(17,729.00)	(14,928.50)	(11,434.00)
Trade and other current payables increase (decrease)	41,644,265.83	4,241,302.28	41,109,016.39	(28,206.58)
Non-current provisions for employee benefit	7,932,899.00	7,050,076.00	4,119,472.00	3,607,658.00
Depreciation and amortization	38,748,197.97	29,317,705.01	28,352,867.26	20,889,690.74
Unrealized loss (gain) on exchange rate	4,872,223.60	(3,390,720.74)	3,478,188.79	(2,757,873.47)
Share of profit (loss) of investment in an associate	876.50	4,421.96	-	-
Allowance for (reversal of) declining value of inventories - garment business	(1,244,354.71)	11,520,904.00	1,753,389.96	6,100,000.00
Allowance for (reversal of) doubtful debts/ bad debts	37,072.95	7,300,000.00	37,072.95	7,300,000.00
Allowance for (reversal of) impairment loss on other long-term investments	310,045.00	(180,770.00)	273,300.00	(151,700.00)
Loss (gain) on disposal of assets	(9,344.79)	(74,999.00)	(9,344.79)	(74,999.00)
Gain on disposal of investment properties	-	-	(12,193,869.00)	-
Loss on assets written-off	-	46,575.52	-	-
Dividend income	(167,000.00)	(74,000.00)	(150,000.00)	(65,000.00)
Interest income	(2,430,890.95)	(1,787,030.96)	(3,974,052.44)	(2,456,547.30)
Interest expense	31,703,047.76	24,737,856.01	28,666,940.01	24,743,149.23
Total adjustment of profit (loss)	(52,194,511.54)	(16,780,949.37)	(83,624,311.45)	50,905,596.81
Net cash flows provided by (used in) operating activities				
Non-current employee benefit paid	(2,514,000.00)	(2,796,500.00)	(1,487,000.00)	(1,994,500.00)
Income tax paid	(1,400,268.20)	(2,291,518.62)	(717,991.49)	(1,107,331.06)
Income tax return	906,417.53	1,349,882.77	597,975.22	626,886.70
Net cash provided by (used in) operating activities	(55,202,362.21)	(20,519,085.22)	(85,231,327.72)	48,430,652.45

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

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received	1,813,810.70	1,787,030.96	3,187,383.14	2,142,523.34
Dividend received	167,000.00	74,000.00	150,000.00	65,000.00
Loans and advances to related parties	-	-	(62,214,231.12)	(49,352,658.72)
Proceeds from loans and advances to related parties	40,000,000.00	-	107,421,539.52	26,545,350.32
Cash paid for purchases of property, plants and equipment	(20,490,209.92)	(4,955,069.12)	(13,320,650.59)	(2,689,979.02)
Proceeds from disposal of property, plants and equipment	9,345.79	75,000.00	9,345.79	75,000.00
Cash paid for purchases of investment properties	(22,925.00)	(55,330.00)	(22,925.00)	(55,330.00)
Proceeds from disposal of investment properties	-	-	24,287,500.00	-
Cash paid for purchases of intangible assets	-	(292,980.00)	-	(292,980.00)
Decrease (increase) in deposits with commitment	(17,993,488.47)	(2,959,526.22)	(17,991,795.45)	(3,365,447.83)
Net cash provided by (used in) investing activities	3,483,533.10	(6,326,874.38)	41,506,166.29	(26,928,521.91)
CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(31,082,613.02)	(25,206,147.34)	(27,511,507.63)	(24,842,955.94)
Increase (decrease) in overdrafts and short - term loans from financial institutions	73,708,332.90	56,435,395.56	78,733,511.80	16,332,515.35
Repayment of borrowings and advances from related parties	-	-	(53,616,508.57)	(21,000,000.00)
Proceeds from borrowings and advances from related parties	-	-	34,216,508.57	20,000,000.00
Repayment of liability under financial lease	-	(69,877.40)	-	-
Repayment of long - term loans from financial institutions	(11,960,000.00)	-	-	-
Proceeds from long - term loans from financial institutions	-	5,000,000.00	-	-
Net cash provided by (used in) financing activities	30,665,719.88	36,159,370.82	31,822,004.17	(9,510,440.59)
Net increase (decrease) in cash and cash equivalents	(21,053,109.23)	9,313,411.22	(11,903,157.26)	11,991,689.95
Cash and cash equivalents at the beginning of the year	33,171,363.55	23,857,952.33	16,802,891.14	4,811,201.19
Cash and cash equivalents at the end of the year	12,118,254.32	33,171,363.55	4,899,733.88	16,802,891.14

Supplemental disclosures of cash flow information:

Non-cash transactions

Year 2018

The Company transferred investment properties to inventories-real estate business Baht 49.43 million in the consolidated financial statements and Baht 37.34 million in separate financial statements.

Year 2017

The Company and a subsidiary have revalued their land and buildings which caused increase in value of land and buildings totaling Baht 156.40 million in consolidated financial statements and Baht 126.85 million in separate financial statements.

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

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1. General information

Castle Peak Holdings Public Company Limited (“the Company”) was registered on April 1, 1994, with registration number 0107537001056. The registered office is located at 899 Petchkasam Road, Bangkae Sub-district, Bangkae District, Bangkok.

The principal business activities of the Company and subsidiaries (“the Group”) are garment manufacturing to export and property development.

2. Basis for preparation of the consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and subsidiaries (“the Group”). Subsidiaries, whose financial and operating policies are substantially direct or indirect controlled by the Company as follows:

Subsidiaries	Nature of business	Country of incorporation	Percentage of holding	
			2018	2017
Direct :				
C.P.G. Garment Co., Ltd.	Manufacturing and export garment	Thailand	99.94	99.94
Castle Peak Real Estate Co., Ltd.	Real estate	Thailand	99.99	99.99
Indirect :				
Sun Property Co., Ltd.	Real estate	Thailand	99.98	99.98
Aek Thana Property Co., Ltd.	Real estate	Thailand	99.98	99.98

Investment in other companies in which the Company significant influence is shown as “Investments in associates” under equity method in the consolidated financial statements, and record under cost method for the separate financial statements.

3. Basis of preparation of the financial statements

3.1 Statement of compliance

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

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New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 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 Group's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 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 Group believes 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.

TFRS 15 Revenue from Contracts with Customers

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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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 Group believes that this standard will not have any significant impact on the financial statements when it is initially applied.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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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 Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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3.2 Basis of measurement

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

3.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional currency.

3.4 Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

4. Significant accounting policies

4.1 Income

4.1.1 Revenues from the sales of goods are recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

4.1.2 Revenues from the sales of real estate development projects are recognized when the construction works are completed and the ownerships have been transferred to buyers.

4.1.3 Revenue from services is recognized when the services have been rendered.

4.1.4 Interest income is recognised on an accrual basis based on the effective interest rate.

4.1.5 Rental income is recognised as revenue over the period of the lease term.

4.1.6 Dividend income is recognised when obtain the right to receive the dividend.

4.1.7 Other income is recognised on an accrual basis.

4.2 Expenses

4.2.1 Expenses are recognized on an accrual basis.

4.2.2 Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

4.2.3 Finance costs comprise interest expense and unwinding of the discount on provisions and contingent consideration . Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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4.3 Income tax

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, saving deposits, call and highly liquid short-term investments.

Deposits restricted in use are shown as other non-current assets.

4.5 Trade and other accounts receivable

Trade and other accounts receivable are carried at anticipated realizable value after allowance for doubtful receivables. An allowance is estimated on the basis of management's assessment of long overdue debts which may not be collectible. Bad debts are written off during the year in which they are identified.

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4.6 Inventories

Garment business

The Group values its inventories at the lower of cost or net realizable value. Inventories are valued as follows:

- Finished goods and work in process at specific batch costing
- Raw materials and supplies at moving average.

Real estate business

Real estate development projects are presented at lower of cost or net realizable value. Cost comprises expenditure that is directly attributable to the acquisition of land, land improvement, construction cost, utilities, project management cost, borrowing costs and other direct relevance costs to the project.

4.7 Investments in subsidiaries and associates

Investments in subsidiary companies and associates are recorded at cost method in the separate financial statements and investments in associated companies are recorded at equity method in the consolidated financial statements.

4.8 Long-term investment

Investments in securities available for sales are stated at fair value. The diminution of carrying value is represented as unrealized gain or loss in equity.

The Group will consider the impairment of investment whether there is any indication that investment may be impaired. The impairment loss will be recognized as expenses in profit or loss.

4.9 Property, plant and equipment

Equipment is presented at cost less accumulated depreciation and impairment losses.

Land and buildings are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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

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Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item as follows :

Land improvement	20 - 40	years
Buildings and revaluation surplus	20 - 40	years
Machinery and equipment	5 - 10	years
Furniture, fixture and office equipment	5 - 10	years
Other constructions	20	years
Vehicles	5 - 10	years

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

4.10 Investment properties

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

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

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item as follows:

Building and other constructions	20 years
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Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.11 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each report date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimate. Impairment with cost, if assets exceed its recoverable amount, the Group will recognize an impairment loss in profit or loss.

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Calculation of recoverable amount

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

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in profit or loss.

4.12 Trade and other payables

Trade and other payables are stated at cost.

4.13 Employee benefit obligations

The Group's employee benefit obligation in respect of post-employment benefits under defined benefit plans recognized in the financial statements based on calculations by the independent actuary using the projected unit credit method estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

4.14 Provisions

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

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4.15 Foreign currency risk

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

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

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

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

4.16 Financial instrument

Financial assets were shown in statements of financial position composed of cash and cash equivalents, loans, investments, accounts receivable. Financial liabilities were shown in statements of financial position composed of bank overdrafts, accounts payable and borrowings. The accounting policy of each item would be disclosed in separated items. The Group made a foreign exchange forward contract in order to prevent any risks from unstable of exchange rate. A forward contract will determine a fixed exchange rate in the future of assets and liabilities which will be received or paid. Outstanding forward foreign exchange contracts are marked to market by comparing contract rate to forward market rates with similar maturities. At each reporting date, the unrealized gain or losses on outstanding forward foreign exchange contracts are reflected in profit or loss.

4.17 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the year. The Company does not have any other equivalent ordinary share for diluted earnings per share calculation.

4.18 Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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4.19 Fair value estimation

The Group estimates fair value for land, buildings and investment properties. The different levels of fair value estimation have been defined as follows:

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

The Group discloses the fair value measurement of above items in related notes to financial statement.

5. Related party transactions

5.1 The related parties and relationship

Parties	Relationship
C.P.G. Garment Co., Ltd.	Subsidiary
Castle Peak Real Estate Co., Ltd.	Subsidiary
Aek Thana Property Co., Ltd.	Subsidiary (indirect owned throughout Castle Peak Real Estate Co., Ltd.)
Sun Property Co., Ltd.	Subsidiary (indirect owned throughout Castle Peak Real Estate Co., Ltd.)
Castle Peak Pulp & Paper Industries Co., Ltd.	Associate
Yueyang Fengli Pulp & Paper Industry Co., Ltd.	Associate (indirect owned throughout Castle Peak Pulp & Paper Co., Ltd.)

5.2 Significant transactions for the years ended December 31, 2018 and 2017 with related parties, were as follows:

	Pricing policy	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Sales - raw materials and wages	(1)				
C.P.G. Garment Co., Ltd.		-	-	11,136,470.35	17,485,198.00
Sales - equipment	(1)				
C.P.G. Garment Co., Ltd.		-	-	-	75,000.00
Interest income	(2)				
C.P.G. Garment Co., Ltd.		-	-	1,564,877.14	679,777.39
Yueyang Fengli Pulp & Paper Industry Co., Ltd.		2,330,964.13	1,766,362.00	2,330,964.13	1,766,362.00
Total		<u>2,330,964.13</u>	<u>1,766,362.00</u>	<u>3,895,841.27</u>	<u>2,446,139.39</u>

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		Unit : Baht			
	Pricing policy	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Sales – land under investment properties	(1)				
Aek Thana Property Co., Ltd.		-	-	24,287,500.00	-
Purchases - finished goods, raw materials and wages	(1)				
C.P.G. Garment Co., Ltd.		-	-	18,167,166.48	26,027,573.76
Construction costs	(1)				
Sun Property Co., Ltd.		-	-	5,094,631.03	-
Project management fee	(1)				
Sun Property Co., Ltd.		-	-	373,831.78	-
Interest expense	(2)				
Castle Peak Real Estate Co., Ltd.			-	5,588,314.22	7,144,204.64
Management remuneration		13,963,242.00	12,894,095.00	11,106,321.00	10,254,271.00

Pricing policies are as follows:

- (1) Cost plus margin
- (2) Interest rate at MLR/ MLR+0.25 of a local bank or actual incurred rate

5.3 Significant assets and liabilities at December 31, 2018 and 2017 with related parties, were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Trade account receivable					
Subsidiary					
C.P.G. Garment Co., Ltd.		-	-	7,650,251.99	4,757,218.26
Other current receivables					
Interest receivable					
Subsidiary					
C.P.G. Garment Co., Ltd.		-	-	520,256.85	350,667.80

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	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Associate				
Castle Peak Pulp & Paper Industries Co., Ltd.	56,013,663.96	72,370,123.53	56,013,663.96	72,370,123.53
<u>Less</u> allowance for doubtful account (Note 10)	(56,013,663.96)	(72,370,123.53)	(56,013,663.96)	(72,370,123.53)
Net	-	-	520,256.85	350,667.80
Other receivable				
Associate				
Castle Peak Pulp & Paper Industries Co., Ltd.	21,118,568.24	34,634,451.91	21,118,568.24	34,634,451.91
<u>Less</u> allowance for doubtful accounts (Note 10)	(21,118,568.24)	(34,634,451.91)	(21,118,568.24)	(34,634,451.91)
Net	-	-	-	-
Total	-	-	520,256.85	350,667.80
Current portion of long-term loans to				
Castle Peak Pulp & Paper Industries Co., Ltd.	30,000,000.00	65,000,000.00	30,000,000.00	65,000,000.00
<u>Less</u> allowance for doubtful accounts (Note 10)	-	(7,300,000.00)	-	(7,300,000.00)
Net	30,000,000.00	57,700,000.00	30,000,000.00	57,700,000.00
Short-term loans and advance to				
Subsidiary				
C.P.G. Garment Co., Ltd.	-	-	17,600,000.00	22,807,308.40
Associates				
Yueyang Fengli Pulp & Paper Industry Co., Ltd.	26,397,768.00	28,637,106.00	26,397,768.00	28,637,106.00
Castle Peak Pulp & Paper Industries Co., Ltd.	176,415,000.00	176,415,000.00	176,415,000.00	176,415,000.00
Total	202,812,768.00	205,052,106.00	220,412,768.00	227,859,414.40
Long-term loans to and other non-current receivables				
Long-term loans to				
Associate				
Castle Peak Pulp & Paper Industries Co., Ltd.	32,500,000.00	37,500,000.00	32,500,000.00	37,500,000.00
<u>Less</u> allowance for valuation adjustment	(3,000,000.00)	-	(3,000,000.00)	-
Loans, net	29,500,000.00	37,500,000.00	29,500,000.00	37,500,000.00

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	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest receivable				
Associate				
Castle Peak Pulp & Paper Industries Co., Ltd.	11,162,962.75	8,545,534.26	11,162,962.75	8,545,534.26
Less allowance for doubtful accounts (Note 10)	(11,162,962.75)	(8,545,534.26)	(11,162,962.75)	(8,545,534.26)
Interest receivable, net	-	-	-	-
Total	29,500,000.00	37,500,000.00	29,500,000.00	37,500,000.00
Trade account payable				
Subsidiary				
C.P.G. Garment Co., Ltd.	-	-	9,188,167.58	2,204,875.66
Sun Property Co., Ltd.	-	-	3,292,853.21	-
Total	-	-	12,481,020.79	2,204,875.66
Other current payable - interest payable				
Subsidiary				
Castle Peak Real Estate Co., Ltd.	-	-	486,944.69	587,612.50
Short-term loans from				
Subsidiary				
Castle Peak Real Estate Co., Ltd.	-	-	92,847,000.00	112,247,000.00

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5.4 Movement of short-term loans and advances to related parties during the year ended December 31, 2018 were as follows:

Unit : Baht						
Consolidated financial statements						
	December 31, 2017	Increase	(Decrease)	Gain (loss) on exchange rate	Transfers in (out)	December 31, 2018
						Interest rate (%)
Loans to :						
Associates						
Yueyang Fengli Pulp & Paper Industry Co., Ltd.	28,637,106.00	-	-	(2,239,338.00)	-	26,397,768.00
Castle Peak Pulp & Paper Industries Co., Ltd.	176,415,000.00	-	-	-	-	176,415,000.00
Total	205,052,106.00	-	-	(2,239,338.00)	-	202,812,768.00
Unit : Baht						
Separate financial statements						
	December 31, 2017	Increase	(Decrease)	Gain (loss) on exchange rate	Transfers in (out)	December 31, 2018
						Interest rate (%)
Loans to :						
Subsidiary						
C.P.G. Garment Co., Ltd.	22,800,000.00	61,900,000.00	(67,100,000.00)	-	-	17,600,000.00
Associates						
Yueyang Fengli Pulp & Paper Industry Co., Ltd. (1)	28,637,106.00	-	-	(2,239,338.00)	-	26,397,768.00
Castle Peak Pulp & Paper Industries Co., Ltd.	176,415,000.00	-	-	-	-	176,415,000.00
Advances to :						
Subsidiary						
C.P.G. Garment Co., Ltd.	7,308.40	314,231.12	(321,539.52)	-	-	-
Total	227,859,414.40	62,214,231.12	(67,421,539.52)	(2,239,338.00)	-	220,412,768.00

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5.5 Movement of long-term loans to a related party during the year ended December 31, 2018 were as follows:

	(Unit : Baht)					
	Consolidated/ Separate financial statements					
	December 31, 2017	Increase	(Decrease)	Transfers in (out)	December 31, 2018	Interest rate (%)
Loans to :						
Associate						
Castle Peak Pulp & Paper Industries Co., Ltd.						
- Current portion of long-term loans	65,000,000.00	-	(40,000,000.00)	5,000,000.00	30,000,000.00	
- Long-term loans	37,500,000.00	-	-	(5,000,000.00)	32,500,000.00	
Total	102,500,000.00	-	(40,000,000.00)	-	62,500,000.00	None
Less allowance for doubtful accounts						
(Note 10)	(7,300,000.00)	-	4,300,000.00	-	(3,000,000.00)	
Net	95,200,000.00	-	(35,700,000.00)	-	59,500,000.00	

5.6 Movement of short-term loans and advances from related parties during the year ended December 31, 2018 were as follows:

	(Unit : Baht)				
	Separate financial statements				
	December 31, 2017	Increase	(Decrease)	December 31, 2018	Interest rate (%)
Loans from :					
Subsidiary					
Castle Peak Real Estate Co., Ltd.	112,247,000.00	34,200,000.00	(53,600,000.00)	92,847,000.00	6.25
Advances to :					
Subsidiary					
C.P.G. Garment Co., Ltd.	-	16,508.57	(16,508.57)	-	ไม่คิด
Total	112,247,000.00	34,216,508.57	(53,616,508.57)	92,847,000.00	

(1) Loan of USD 820,000 bears interest rates at MLR+0.25% p.a.. The principal and accrued interest expense will be repaid within August 24, 2019.

Except for the above mentioned, as of December 31, 2018 and 2017, loans to and loans from related parties are in term of promissory notes, which are due on call, bear interest rate at MLR or MLR+0.25% p.a. of a local bank.

These loans to and from related parties have no collateral.

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5.7 Commitment as at December 31, 2018 and 2017 with a related party were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Commitments on the agreements construction of real estate project				
Subsidiary				
Sun Property Co., Ltd.	-	-	12,694,144.79	-

6. Cash and cash equivalents

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	99,990.00	93,027.00	40,000.00	40,000.00
Current accounts	11,195,567.02	32,591,900.35	4,859,733.88	16,678,562.49
Saving deposits	822,697.30	486,436.20	-	84,328.65
Total	12,118,254.32	33,171,363.55	4,899,733.88	16,802,891.14

7. Trade and other current receivables

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Trade accounts receivable					
- Related party	5	-	-	7,650,251.99	4,757,218.26
- Other parties		273,764,257.14	165,804,076.29	159,203,437.65	76,008,340.74
Less allowance for doubtful accounts		(4,207,072.95)	-	(4,207,072.95)	-
Trade accounts receivables, net		269,557,184.19	165,804,076.29	162,646,616.69	80,765,559.00

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		Unit : Baht			
	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other current receivables					
- Related party	5	77,743,358.56	107,004,575.44	78,263,615.41	107,355,243.24
- Other parties		12,018,143.26	4,373,844.15	4,546,146.46	2,785,998.43
<u>Less</u> allowance for doubtful accounts	5	(77,132,232.20)	(107,004,575.44)	(77,132,232.20)	(107,004,575.44)
Other current receivables, net		12,629,269.62	4,373,844.15	5,677,529.67	3,136,666.23
Total		282,186,453.81	170,177,920.44	168,324,146.36	83,902,225.23

Aging analyses for trade accounts receivable were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related party					
Within credit term		-	-	7,069,283.17	4,757,218.26
Over due					
- Not over 3 months		-	-	580,968.82	-
Total		-	-	7,650,251.99	4,757,218.26
Other parties					
Within credit term		225,468,080.29	161,217,351.78	126,993,914.47	74,755,117.68
Over due					
- Not over 3 months		44,259,666.78	4,586,724.51	28,173,013.11	1,253,223.06
- Over 3 months but not over 6 months		4,036,510.07	-	4,036,510.07	-
<u>Less</u> allowance for doubtful accounts		(4,207,072.95)	-	(4,207,072.95)	-
Total		269,557,184.19	165,804,076.29	154,996,364.70	76,008,340.74

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8. Inventories - garment business

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods	17,603,281.96	19,424,264.98	9,752,062.35	10,712,882.99
Work in process	124,682,513.74	106,545,447.20	85,938,826.74	71,202,730.64
Raw materials and supplies	112,299,772.10	100,292,476.96	79,354,493.36	69,608,354.66
Raw materials in transit	34,617,276.11	17,249,450.32	23,031,307.48	8,146,077.37
Total	289,202,843.91	243,511,639.46	198,076,689.93	159,670,045.66
<u>Less</u> allowance for declining in value of inventories	(10,855,645.29)	(12,100,000.00)	(7,853,389.96)	(6,100,000.00)
Net	278,347,198.62	231,411,639.46	190,223,299.97	153,570,045.66

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended December 31, 2018 amounted to Baht 1,378.86 million (2017: Baht 1,104.87 million) in the consolidated statements of comprehensive income and Baht 829.40 million (2017: Baht 707.94 million) in the separate statements of comprehensive income.

In 2018, the Group recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 7.81 million and recognised a recovery of allowance for decline in value of inventories of Baht 9.05 million (2017 : recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 15.30 million and recognised a reversal of allowance for decline in value of inventories of Baht 3.78 million).

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9. Inventories- real estate business

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land	218,590,442.00	206,600,403.00	123,100,572.00	85,689,465.00
Land development	35,966,687.50	33,739,418.39	9,497,552.50	2,092,252.50
Construction in progress	545,511,750.79	595,265,358.84	245,647,955.59	236,076,115.30
Infrastructure	116,478,522.95	125,581,797.69	36,843,850.98	36,399,440.36
Construction development costs	37,305,017.42	36,059,873.36	9,995,290.10	7,131,092.68
Others	680,000.00	680,000.00	-	-
Total	954,532,420.66	997,926,851.28	425,085,221.17	367,388,365.84
<u>Less</u> cumulative costs transferred to cost of sales	(713,109,765.26)	(797,830,827.71)	(306,730,521.92)	(296,846,781.50)
Net	241,422,655.40	200,096,023.57	118,354,699.25	70,541,584.34

As at December 31, 2018, inventories- real estate business of the Company and subsidiaries totaling Baht 138.55 million (2017 : Baht 159.55 million) in consolidated financial statements and Baht 37.46 million (2017 : Baht 36.34 million) in separate financial statements, are mortgaged as collateral for long-term loans (Note 16) and letters of guarantee for construction and maintenance of infrastructures (Note 24).

10. Investments in subsidiaries and associates

				Unit : Baht	
Name	Type of business	Paid-in capital (Thousand Baht)	Ownership interest (%)	Consolidated financial statements	
				Investment at equity method	
				2018	2017
Investment in associates :-					
Castle Peak Pulp & Paper Co., Ltd.	Pulp & paper	100,000	41.00	-	-
Thanee Watana Co., Ltd. ⁽¹⁾	Real estate	3,750	49.00	3,018,325.22	3,019,201.72
Total investment in associates				3,018,325.22	3,019,201.72

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Name	Type of business	Paid-in capital (Thousand Baht)	Ownership interest (%)	Unit : Baht			
				Separate financial statements			
				Investment at cost method		Dividend income	
				2018	2017	2018	2017
Investments in subsidiaries :-							
C.P.G. Garment Co., Ltd.	Manufacturing and export garment	46,200	99.94	46,170,000.00	46,170,000.00	-	-
Castle Peak Real Estate Co., Ltd.	Real estate	200,000	99.99	199,999,880.00	199,999,880.00	-	-
Investment in associates :-							
Castle Peak Pulp & Paper Co., Ltd.	Holding	100,000	41.00	41,000,000.00	41,000,000.00	-	-
Thanee Watana Co., Ltd. ⁽¹⁾	Real estate	3,750	49.00	1,837,500.00	1,837,500.00	-	-
Less allowance for impairment				(41,000,000.00)	(41,000,000.00)	-	-
Total				248,007,380.00	248,007,380.00	-	-

⁽¹⁾ Not started its core business.

The share of comprehensive income (loss) of two associates in the consolidated statements of comprehensive income for the year ended December 31, 2018 amounted to Baht 0.00 million (2017 : Baht (0.00) million), were computed from the financial statements which audited by other auditors.

In August 2016, a director, who is a major shareholder, made a declaration of intention to propose to the Company offers for purchase loans, accrued interest, liabilities for loan guarantee both associate (Castle Peak Pulp & Paper Industries Co., Ltd. "CPPP") and oversea associate of an associate (Yueyang Fengli Pulp & Paper Industry Co., Ltd. "Yueyang") to the Company, included assignment/purchase the Company entire investment in CPPP of 4,100,000 shares, all together of Baht 307,552,106.

Consequently, the Company provided allowance for impairment of investment of Baht 41.00 million in the separate financial statements and allowance for doubtful accounts of other current receivable and other non-current receivable totaling Baht 115.55 million in the consolidated and separate financial statements. These transactions were presented under loss on impairment of assets of Baht 115.55 million in the consolidated statements of income and of Baht 156.55 million in the separate statements of income for the year ended December 31, 2016. In addition, the Company does not recognise interest income since July 1, 2016.

On January 19, 2018, CPPP submitted an intention proposal to the Company in order to propose for loan restructure for term loans.

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On January 25, 2018, the mentioned letter has been considered in the board of director meeting. A director, who offered to purchase the investment in CPPP has purposed to cancel his intention to purchase investment in CPPP. Since CPPP offered to make final repay by March 31, 2020, so the Company can use such repay amount as its working capital and has an opportunity to receive dividend in the future. Thus, the Company would have more benefit by investing in CPPP. The board, therefore, has approved to continue hold investment in CPPP.

On February 20, 2018, the Company and CPPP have entered into loan restructure agreement for term loans, details as follows,

- 1) Borrower agrees to make installment to repay term loans principle of Baht 102,500,000 as follows:
 - 1st installment, repay within February 28, 2018, amounted to Baht 40,000,000
 - 2nd installment, repay within March 31, 2019, amounted to Baht 30,000,000
 - 3rd installment, repay within March 31, 2020, amounted to Baht 32,500,000
- 2) During the installment period as said in 1, the lender would not charge interest for these loans.
- 3) In case the borrower satisfied to repay the lender according to 1, lender would forgive accrued interest and accrued guarantee fee as repayment proportionate.
- 4) In case of default, lender has right to execute the lawsuit for unpaid principle and unforgiven accrued interest and accrued guarantee fee as said in 3.

In February 2018, the Company received the 1st installment of Baht 40.00 million as identified in the loan restructure agreement. Consequently, the Company has written of accrued interest income and receivable for guarantee fee of Baht 13.74 million and Baht 13.52 million, respectively, and allowance for doubtful accounts totaling Baht 27.26 million in the consolidated and separate statements of financial position as of December 31, 2018.

As per loan restructure agreement, the Company recognized allowance for doubtful accounts of long term based to fair value of Baht 3.00 million in the consolidated and separate financial statements for the year ended December 31, 2018. (2017 : Baht 7.30 million)

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11. Property, plant and equipment

	Consolidated financial statements				Unit : Baht
	As at December 31, 2017	Increase	Decrease	Transfer in (out)	As at December 31, 2018
Cost plus revaluation surplus :					
Land and improvement	46,304,335.50	-	-	-	46,304,335.50
Land - revaluation surplus	232,743,563.20	-	-	-	232,743,563.20
Buildings	116,344,890.52	494,627.80	-	-	116,839,518.32
Buildings - revaluation surplus	325,155,038.64	-	-	-	325,155,038.64
Cost :					
Machinery and equipment	340,070,668.42	11,648,096.21	-	6,392,883.84	358,111,648.47
Furniture and office equipment	119,859,449.29	1,862,990.21	-	(45,596.75)	121,676,842.75
Leasehold building improvement	3,949,846.28	-	-	-	3,949,846.28
Other constructions	355,562.61	-	-	-	355,562.61
Vehicles	37,444,953.42	810,000.00	(1,799,215.00)	-	36,455,738.42
Assets in transit	672,791.39	5,674,495.70	-	(6,347,287.09)	-
Total cost	1,222,901,099.27	20,490,209.92	(1,799,215.00)	-	1,241,592,094.19
Accumulated depreciation :					
Land improvement	(10,298,398.70)	-	-	-	(10,298,398.70)
Building	(106,021,936.15)	(2,058,865.14)	-	-	(108,080,801.29)
Building - revaluation surplus	(215,879,581.68)	(27,637,629.48)	-	-	(243,517,211.16)
Machinery and equipment	(331,281,092.76)	(6,188,848.91)	-	-	(337,469,941.67)
Furniture and office equipment	(117,796,347.58)	(981,944.92)	-	-	(118,778,292.50)
Leasehold building improvement	(3,913,958.51)	(5,076.00)	-	-	(3,919,034.51)
Other constructions	(256,449.95)	(17,778.12)	-	-	(274,228.07)
Vehicles	(35,272,019.77)	(743,482.81)	1,799,214.00	-	(34,216,288.58)
Total accumulated depreciation	(820,719,785.10)	(37,633,625.38)	1,799,214.00	-	(856,554,196.48)
Net	402,181,314.17				385,037,897.71

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	Unit : Baht			
	Separate financial statements			
	As at December 31, 2017	Increase	Decrease	Transfer in (out)
				As at December 31, 2018
Cost plus revaluation surplus :				
Land and land improvement	40,104,335.50	-	-	-
Land - revaluation surplus	144,981,563.20	-	-	-
Buildings	90,369,339.19	332,940.00	-	-
Buildings - revaluation surplus	209,535,105.28	-	-	-
Cost :				
Machinery and equipment	220,427,927.18	6,027,884.29	-	6,392,883.84
Furniture and office equipment	73,374,110.18	1,285,330.60	-	(45,596.75)
Vehicles	4,707,007.94	-	(1,799,215.00)	-
Asset on the way	672,791.39	5,674,495.70	-	(6,347,287.09)
Total cost	784,172,179.86	13,320,650.59	(1,799,215.00)	-
Accumulated depreciation :				
Land improvement	(10,298,398.70)	-	-	-
Building	(87,396,001.58)	(1,103,162.88)	-	-
Building - revaluation surplus	(152,740,525.15)	(20,863,475.40)	-	-
Machinery and equipment	(214,211,731.35)	(4,467,924.10)	-	-
Furniture and office equipment	(71,848,178.49)	(694,014.35)	-	-
Vehicles	(4,273,030.43)	(147,034.57)	1,799,214.00	-
Total accumulated depreciation	(540,767,865.70)	(27,275,611.30)	1,799,214.00	-
Net	243,404,314.16			229,449,352.45

During the year 2017, the Company and a subsidiary have revalued their land and buildings by an independence appraiser, Chartered Valuation and Consultant Co., Ltd. and Siam Appraisal and Service Co., Ltd.. These revaluations caused increase in value of land of Baht 97.97 million, and buildings of Baht 58.43 million in consolidated financial statements, and increase in value of land of Baht 94.38 million, and buildings of Baht 32.47 million in separate financial statements. These revaluations have been recorded in statements of comprehensive income for the year ended December 31, 2017.

As at December 31, 2018, substantial parcels of land and construction thereon of the Group, with net carrying value of Baht 356.81 million (2017 : Baht 386.02 million) in the consolidated financial statements, and Baht 210.59 million (2017 : Baht 232.22 million) in the separate financial statements, were mortgaged as collateral for overdrafts and short-term loans from financial institutions of the Group (Note 14).

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As at December 31, 2018, the Group had fully depreciated fixed assets which were still in active use at gross carrying value totaling Baht 477.12 million (2017 : Baht 467.46 million) in the consolidated financial statements and Baht 282.01 million (2017 : Baht 275.28 million) in the separate financial statements.

12. Investment properties

	Unit : Baht			
	Consolidated financial statements			
	As at December 31, 2017	Increase	Decrease	Transfer in (out)
				As at December 31, 2018
Cost :				
Land and land improvement	99,054,036.00	22,925.00	-	(49,432,527.00)
Buildings and other constructions	37,755,071.56	-	-	-
Total cost	136,809,107.56	22,925.00	-	(49,432,527.00)
Accumulated depreciation :				
Land improvement	(80,552.01)	-	-	-
Buildings and other constructions	(25,478,511.93)	(943,886.52)	-	-
Total accumulated depreciation	(25,559,063.94)	(943,886.52)	-	-
Allowance for impairment of assets				
Buildings and other constructions	(2,336,002.90)	-	-	-
Total allowance for impairment of assets	(2,336,002.90)	-	-	-
Net	108,914,040.72			58,560,552.20

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	Unit : Baht			
	Separate financial statements			
	As at December 31, 2017	Increase	Decrease	As at December 31, 2018
			Transfer in (out)	
Cost :				
Land and land improvement	99,455,691.00	22,925.00	(12,093,631.00)	50,046,089.00
Buildings	33,861,732.66	-	-	33,861,732.66
Total cost	133,317,423.66	22,925.00	(12,093,631.00)	83,907,821.66
Accumulated depreciation :				
Land improvement	(80,552.01)	-	-	(80,552.01)
Buildings	(23,921,175.93)	(943,886.52)	-	(24,865,062.45)
Total accumulated depreciation	(24,001,727.94)	(943,886.52)	-	(24,945,614.46)
Net	109,315,695.72			58,962,207.20

Fair value of investment properties as at December 31, 2018 is as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	At cost	Fair value	At cost	Fair value
Land	22,315,321.00	58,738,000.00	22,716,976.00	42,000,000.00
Land and buildings	36,245,231.20	108,583,344.00	36,245,231.20	108,583,344.00
Total	58,560,552.20		58,962,207.20	

In February 2018, the Company sold land to a subsidiary at the price of Baht 24.29 million (Note 5). This caused gain on sale of such land of Baht 12.19 million in separate financial statements of comprehensive income for the year ended December 31, 2018.

Fair values are appraised values, performed by independence appraisers, UK. Valuations and Agency Co., Ltd., Chartered Valuation and Consultant Co., Ltd. and Asia Asset Appraisal Co., Ltd., and announced by the Treasury Department, Land is valued by comparable sale price and buildings are valued by cost approach, level 2 of fair values hierarchy.

As at December 31, 2018, investment properties with net carrying value of Baht 25.00 million (2017: Baht 25.56 million) in the consolidated and separate financial statements, were mortgaged as collateral for overdrafts and short-term loans from financial institutions of the Group (Note 14).

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13. Deposits with commitment

As at December 31, 2018, all deposits with commitment are guaranteed for short-term loans from financial institutions of the Company (Note 14), for bank's issuance of letter of guarantee to the Land Department to guarantee the construction and maintenance of utilities of the Company and a subsidiary (Note 24), and for bank's issuance of letter of guarantee to the Custom Department of a subsidiary (Note 24).

14. Overdrafts and short-term loans from financial institutions

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Bank overdrafts	4,851,955.96	4,803,447.96	958,247.36	547,991.33
Short - term loans from banks				
- Packing credits	335,100,000.00	313,100,000.00	247,700,000.00	228,400,000.00
- Liability under trust receipts	163,947,629.78	124,213,873.04	131,293,120.46	84,413,641.77
- Promissory notes	12,000,000.00	-	12,000,000.00	-
Total	515,899,585.74	442,117,321.00	391,951,367.82	313,361,633.10

As at December 31, 2018, the Group has credit facilities with several banks totaling Baht 634.42 million (2017: Baht 604.42 million) in the consolidated financial statements and Baht 469.00 million (2017 : Baht 439.00 million) in the separate financial statements. All loans are guaranteed by mortgaging land and construction thereon (Note 11), investment properties (Note 12), and personally guaranteed by certain Company directors.

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15. Trade and other current payables

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Trade accounts payable					
- Related parties	5	-	-	12,481,020.79	2,204,875.66
- Other parties		74,851,250.67	48,930,086.95	49,378,334.53	29,288,745.31
Total trade accounts payable		74,851,250.67	48,930,086.95	61,859,355.32	31,493,620.97
Other current payables					
- Related party	5	-	-	486,944.69	587,612.50
- Other parties		69,138,147.20	52,356,143.37	41,740,416.12	29,935,371.97
Total other current payables		69,138,147.20	52,356,143.37	42,227,360.81	30,522,984.47
Total		143,989,397.87	101,286,230.32	104,086,716.13	62,016,605.44

16. Long - term loans from financial institutions

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Current portion of long-term loans		7,040,000.00	12,000,000.00	-	-
Long-term loans		-	7,000,000.00	-	-
Total		7,040,000.00	19,000,000.00	-	-

As at December 31, 2018, the Company has letter of guarantee line of Baht 35.00 million which guaranteed by mortgaging inventories - real estate business of the Company (Note 9) and personally guaranteed by certain directors (2017: letter of guarantee of Baht 35.00 million, which guaranteed by mortgaging inventories- real estate business of the Company (Note 9) and personally guaranteed by certain directors).

As at December 31, 2018, two subsidiaries have credit facilities for its real estate project with local banks totaling Baht 202.30 million (2017 : Baht 202.30 million), which consists of 1) loan of Baht 102.30 million and 2) letter of guarantee of Baht 100.00 million. The loan carry interest rate at MLR- 1.25% p.a. and guaranteed by mortgaging inventories- real estate business of the subsidiary (Note 9), and personally guaranteed by certain directors. The repayment amount to free / withdraw the collateral of each unit will be repay as identified in the agreement.

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17. Deferred tax

Deferred tax assets and liabilities as at December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
Deferred tax assets	5,819,917.84	349,268.48	-	-
Deferred tax liabilities	-	-	(65,637,766.34)	(71,598,469.01)
Total	5,819,917.84	349,268.48	(65,637,766.34)	(71,598,469.01)
Set off of tax	(3,690,380.40)	(130,800.00)	3,690,380.40	130,800.00
Net deferred tax assets (liabilities)	2,129,537.44	218,468.48	(61,947,385.94)	(71,467,669.01)

	Unit : Baht	
	Separate financial statements	
	2018	2017
Deferred tax assets	1,005,414.59	130,800.00
Deferred tax liabilities	(38,876,345.68)	(43,451,496.13)
Net deferred tax assets (liabilities)	(37,870,931.09)	(43,320,696.13)

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Movements in deferred tax assets and liabilities during the year 2018 were as follows:

	Consolidated financial statements			Unit : Baht
	(Charged) / Credited to:			
	As at January 1, 2018	Profit or loss	Other comprehensive income	As at December 31, 2018
Deferred tax assets :				
Investment properties	116,800.08	(38,933.39)	-	77,866.69
Loss carry forward	-	1,880,851.95	-	1,880,851.95
Others	101,668.40	69,150.40	-	170,818.80
Total deferred tax assets	<u>218,468.48</u>	<u>1,911,068.96</u>	<u>-</u>	<u>2,129,537.44</u>
Deferred tax liabilities :				
Investment in associate	(236,340.34)	-	-	(236,340.34)
Land and buildings	(68,841,983.40)	5,724,731.04	-	(63,117,252.36)
Investment properties	(2,520,145.27)	235,971.63	-	(2,284,173.64)
Loss carry forward	-	2,684,965.81	-	2,684,965.81
Others	130,800.00	874,614.59	-	1,005,414.59
Total deferred tax liabilities	<u>(71,467,669.01)</u>	<u>9,520,283.07</u>	<u>-</u>	<u>(61,947,385.94)</u>
Total credited (charged)		<u>11,431,352.03</u>	<u>-</u>	

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	Unit : Baht		
	Separate financial statements		
	(Charged) / Credited to:		
	As at January 1, 2018	Profit or loss	Other comprehensive income
	As at December 31, 2018		
Deferred tax assets (liabilities)			
Land and buildings	(40,931,350.86)	4,339,178.82	-
Investment properties	(2,520,145.27)	235,971.63	-
Others	130,800.00	874,614.59	-
Net	(43,320,696.13)	5,449,765.04	-

As at December 31, 2018, deferred tax assets arising from temporary differences and unused tax losses of Baht 40.67 million (2017 : Baht 54.78 million) in the consolidated financial statements and Baht 30.18 million (2017 : Baht 37.90 million) in the separate financial statements that have not been recognised because it is not probable that they will be able to utilise the tax benefit in the foreseeable future.

18. Non-current provisions for employee benefit

Movements in the present value of the defined benefit obligations were as follows :

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Defined benefit obligations as at January 1, 2018	43,131,696.00	24,613,225.00
Recognised through profit or loss :		
Current service costs and interest	7,932,899.00	4,119,472.00
Benefit paid by projects	(2,514,000.00)	(1,487,000.00)
Defined benefit obligations as at December 31, 2018	48,550,595.00	27,245,697.00

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On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries will reflect the effect of the change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss, of the period in which the law is effective. At present, is during estimate the effect to the financial statement.

19. Expenses by nature

Significant expenses by nature for the years ended December 31, 2018 and 2017, were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials and supplies used	788,229,081.16	640,793,342.44	502,869,251.23	445,109,535.06
Changes in finished goods and work in process	(16,316,083.52)	(11,847,444.49)	(13,775,275.46)	6,216,495.60
Increase in land, construction in progress and utilities during the year	73,053,199.84	24,993,196.82	54,832,657.91	5,362,877.83
Changes in real estate under development projects	(41,326,631.83)	15,852,766.32	(47,813,114.91)	23,147,225.56
Salary, wages and other employee benefits	591,291,395.00	431,787,687.00	347,454,235.00	261,965,759.00
Depreciation and amortization	38,748,197.97	29,348,105.01	28,352,867.26	20,920,090.74
Utility expenses	29,439,605.11	25,953,682.21	18,044,926.74	15,424,307.45
Transportation expense	27,229,676.95	7,476,449.77	21,052,136.62	4,304,988.39
Rental and services	21,745,475.56	21,681,129.25	14,979,639.26	13,568,576.62
Repair and maintenance expenses	14,110,483.62	12,375,170.10	9,225,793.16	9,029,027.81
Loss on declining value of inventories	-	11,520,904.00	1,753,389.96	6,100,000.00

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20. Income tax expense (income)

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax recognised in profit or loss				
Current tax expense :				
Current year	-	-	-	-
Deferred tax expense :				
Movements in temporary differences	(6,865,534.27)	4,173,567.55	(5,449,765.04)	5,174,074.61
Benefit of tax losses recognised	(4,565,817.76)	8,116,748.72	-	7,915,469.72
	(11,432,352.03)	12,290,316.27	(5,449,765.04)	13,089,544.33
Net	(11,431,352.03)	12,290,316.27	(5,449,765.04)	13,089,544.33
Income tax recognized in other comprehensive income				
Land and buildings - revaluation surplus	-	31,279,668.20	-	25,370,229.85

Reconciliation of effective tax rate

	Unit : Baht			
	Consolidated financial statements			
	Applicable tax rate (%)	2018	Applicable tax rate (%)	2017
Accounting profit (loss) before income tax	20	(18,161,769.07)	20	(85,024,720.90)
Tax at the applicable tax rate		(3,632,353.81)		(17,004,944.18)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		1,055,734.59		29,295,260.45
Benefit of tax losses recognised		(8,854,732.81)		-
Net		(11,431,352.03)		12,290,316.27

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	Unit : Baht			
	Separate financial statements			
	Applicable tax rate (%)	2018	Applicable tax rate (%)	2017
Accounting profit (loss) before income tax	20	(36,642,210.17)	20	(57,653,128.30)
Tax at the applicable tax rate		(7,328,442.03)		(11,530,625.66)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		1,878,676.99		24,620,169.99
Net		(5,449,765.04)		13,089,544.33

21. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different manufacturing and products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Garment manufacturing
Segment 2	Development of real estate for sale

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax and finance costs, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax and finance costs is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information relating to business segments for the years ended December 31, 2018 and 2017 as follows:

	Consolidated financial statements											Unit : Million Baht
	2018					2017						
	Garment	Real estate	Others	Total	Add (less) inter - transactions	Net	Garment	Real estate	Others	Total	Add (less) inter - transactions	
External revenue	1,537	53	-	1,590	-	1,590	1,117	73	-	1,190	-	1,190
Inter-segment revenue	29	-	8	37	(37)	-	44	4	-	48	(48)	-
Total revenue	1,566	53	8	1,627	(37)	1,590	1,161	77	-	1,238	(48)	1,190
Segment results	35	2	(1)	36	(21)	15	(54)	8	-	(46)	(13)	(59)
Unallocated income (expenses)												
Share of profit (loss) from investment in associate						-						-
Financial costs						(33)						(26)
Income tax (expense) income						11						(12)
Profit (loss) for the year						(7)						(97)
Segment assets	1,553	447	9	2,009	(443)	1,566	1,441	461	10	1,912	(440)	1,472

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. However, the Group has no assets located in foreign countries.

Geographical information

	Unit : Million Baht	
	2018	2017
Foreign countries	1,528	1,100
Domestic	62	90
Total revenue	1,590	1,190

Major customer

Revenues from three major customers of the Group's garment manufacturing segment represent approximately Baht 1,273 million for the year 2018 (2017: Baht 824 million) of the consolidated revenues.

22. Commitments from real estate developing projects

	Unit : Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Value of sales already contracted during the year	58.07	82.68	33.17	46.91
Cumulative value of sales already contracted	1,066.02	1,007.95	473.08	439.91
As percentage of total sales of projects on hand (%)	76.21	72.12	89.78	83.67
Number of projects:				
Number of projects on hand at beginning of the year	4	5	1	1
Number of new opened projects	-	-	-	-
Number of closed projects	-	(1)	-	-
Number of projects on hand at end of the year	4	4	1	1

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23. Financial instruments

23.1 Financial risk management policies

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

23.2 Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, and capital management policies to maintain the optimal capital structure and cost of capital.

23.3 Interest rate risk

Interest rate risk derives from changes in interest rate. The Group has interest rate risk because their loans bear interest at the floating interest rate. If the interest rate significantly changes, it will be impact to the Group. The information of interest rate and maturity of long-term loans are disclosed in Note 16.

23.4 Foreign currency exchange rate risk

The Group has the foreign currency exchange rate risk related to assets and liabilities denominated in foreign currencies which have not made foreign currency exchange rate risk hedging.

As at December 31, 2018 and 2017, assets and liabilities denominated in foreign currencies which have not been hedged against foreign exchange rate risk, are summarized as follows:

	Unit : Million Baht			
	Consolidated financial statements			
	2018		2017	
	Assets	Liabilities	Assets	Liabilities
US Dollar	306	176	190	118
Hong Kong Dollar	-	34	-	31

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	Unit : Million Baht			
	Separate financial statements			
	2018		2017	
	Assets	Liabilities	Assets	Liabilities
US Dollar	186	134	100	80
Hong Kong Dollar	-	27	-	19

23.5 Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the report date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the report.

23.6 Liquidity risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value.

The Group's financial assets comprise cash and cash equivalents, accounts receivable and inventories which are liquid and able to sell at close to this fair value when the Group wishes to raise fund.

23.7 Fair value

Since the majority of the Group's financial instruments are short-term. The Group expects that their fair values are not materially different from the amounts presented in the statements of financial position. Long-term loan from financial institution, which is bearing floating interest at market rates, the carrying value of such loan is equivalent to fair value. Except for long-term loans to a related party are measured at fair value level 3, which are calculated based on market return rate.

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24. Commitments and contingent liabilities

As at December 31, 2018 :

24.1 The Group had contingent liabilities from bank's issuance the letter of guarantee to Custom Department and Government agencies totaling Baht 13.47 million,

24.2 The Group had commitment on letter of credit for purchasing goods from overseas totaling Baht 26.88 million,

24.3 The Group had contingent liabilities from bank's issuance of letter of guarantee to the Land Department to guarantee the construction and maintenance of utilities totaling Baht 41.72 million,

24.4 The Group had commitments on the agreements of development and construction of real estate projects totaling Baht 1.32 million.

25. Financial statements approval

Board of Directors of Castle Peak Holdings Public Company Limited has approved these financial statements on February 27, 2019.