

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

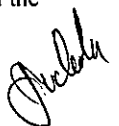
In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Castle Peak Holdings Public Company Limited and its subsidiaries and as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in my professional 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 115.55 million and allowance for doubtful accounts of loans of Baht 7.30 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 16, the Group has not recorded deferred tax assets amounting to Baht 54.78 million in the consolidated financial statements and Baht 37.90 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

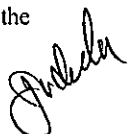
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement,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



(Mr. Jadesada Hungsapruerk)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

February 27, 2018

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	33,171,363.55	23,857,952.33	16,802,891.14	4,811,201.19
Trade and other current receivables	7	170,177,920.44	164,529,044.21	83,902,225.23	110,185,746.60
Inventories					
- Garment business	8	231,411,639.46	218,125,709.05	153,570,045.66	161,703,636.00
- Real estate business	9	200,096,023.57	220,025,789.89	70,541,584.34	93,688,809.90
Current portion of long-term loans	5, 10	57,700,000.00	-	57,700,000.00	-
Short-term loans and advances	5	205,052,106.00	205,052,106.00	227,859,414.40	205,052,106.00
<b>Total current assets</b>		<b>897,609,053.02</b>	<b>831,590,601.48</b>	<b>610,376,160.77</b>	<b>575,441,499.69</b>
<b>Non-current assets</b>					
Long-term loans and other non-current receivables	5, 10	37,500,000.00	102,500,000.00	37,500,000.00	102,500,000.00
Investments in subsidiaries and associates	10	3,019,201.72	3,023,623.68	248,007,380.00	248,007,380.00
Other long-term investments		1,519,470.00	1,338,700.00	1,290,900.00	1,139,200.00
Property, plant and equipment	11	402,181,314.17	269,012,536.07	243,404,314.16	133,731,103.55
Investment properties	12	108,914,040.72	109,802,597.24	109,315,695.72	110,204,252.24
Deposits with commitment		5,225,632.46	2,266,106.24	3,365,447.83	-
Deferred tax assets	16	218,468.48	446,298.47	-	-
Other non - current assets		16,170,447.36	15,153,865.49	7,437,758.09	6,730,787.29
<b>Total non - current assets</b>		<b>574,748,574.91</b>	<b>503,543,727.19</b>	<b>650,321,495.80</b>	<b>602,312,723.08</b>
<b>Total assets</b>		<b>1,472,357,627.93</b>	<b>1,335,134,328.67</b>	<b>1,260,697,656.57</b>	<b>1,177,754,222.77</b>

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, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Overdrafts and short - term loans from financial institutions	13	442,117,321.00	389,854,701.56	313,361,633.10	300,090,358.61
Trade and other current payables	14	101,286,230.32	96,655,039.22	62,016,605.44	62,155,625.08
Current portion of long-term loans from a financial institution	15	12,000,000.00	-	-	-
Short-term loans	5	-	-	112,247,000.00	113,247,000.00
<b>Total current liabilities</b>		<b>555,403,551.32</b>	<b>486,509,740.78</b>	<b>487,625,238.54</b>	<b>475,492,983.69</b>
<b>Non-current liabilities</b>					
Long-term loans from a financial institution	15	7,000,000.00	14,000,000.00	-	-
Liability under finance lease		-	69,877.40	-	-
Deferred tax liabilities	16	71,467,669.01	28,125,514.53	43,320,696.13	4,860,921.95
Non-current provisions for employee benefit	17	43,131,696.00	38,878,120.00	24,613,225.00	23,000,067.00
<b>Total non-current liabilities</b>		<b>121,599,365.01</b>	<b>81,073,511.93</b>	<b>67,933,921.13</b>	<b>27,860,988.95</b>
<b>Total liabilities</b>		<b>677,002,916.33</b>	<b>567,583,252.71</b>	<b>555,559,159.67</b>	<b>503,353,972.64</b>
<b>Equity</b>					
<b>Share capital</b>					
<b>Authorized share capital</b>					
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
<b>Issued and paid - up share capital</b>					
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
<b>Retained earnings</b>					
Appropriated - legal reserve		31,839,616.42	31,839,616.42	31,839,616.42	31,839,616.42
Unappropriated		(74,130,360.94)	8,307,222.64	(52,122,034.18)	7,780,505.91
Other components of equity		273,615,216.12	163,373,996.90	161,420,914.66	70,780,127.80
<b>Equity attributable to owners of the Company</b>		<b>795,324,471.60</b>	<b>767,520,835.96</b>	<b>705,138,496.90</b>	<b>674,400,250.13</b>
Non-controlling interests		30,240.00	30,240.00	-	-
<b>Total equity</b>		<b>795,354,711.60</b>	<b>767,551,075.96</b>	<b>705,138,496.90</b>	<b>674,400,250.13</b>
<b>Total liabilities and equity</b>		<b>1,472,357,627.93</b>	<b>1,335,134,328.67</b>	<b>1,260,697,656.57</b>	<b>1,177,754,222.77</b>

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, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Revenue from sales	5	1,190,102,659.04	1,267,350,569.96	798,210,060.96	746,551,383.07
Cost of sales	5	1,106,451,877.10	1,115,711,410.15	737,838,848.90	653,839,223.21
Gross profit (loss)		83,650,781.94	151,639,159.81	60,371,212.06	92,712,159.86
Dividends received	5	74,000.00	-	65,000.00	19,999,988.00
Interest income	5	1,787,030.96	10,463,856.74	2,456,547.30	11,735,564.12
Gain on exchange rate		14,250,524.93	9,713,116.32	11,350,359.56	5,415,857.99
Other income		3,433,685.89	6,728,522.51	2,358,177.52	5,685,847.42
Profit before expenses		103,196,023.72	178,544,655.38	76,601,296.44	135,549,417.39
Distribution costs		45,391,439.78	45,645,022.64	31,879,166.09	27,719,205.85
Administrative expenses		109,372,675.45	105,166,154.95	69,694,256.51	59,878,368.81
Loss on impairment of assets	10	7,300,000.00	115,550,109.70	7,300,000.00	156,550,109.70
Financial costs	5	26,152,207.43	24,987,408.16	25,381,002.14	24,657,154.55
Total expenses		188,216,322.66	291,348,695.45	134,254,424.74	268,804,838.91
Share of profit (loss) of investment in an associate	10	4,421.96	4,972.76	-	-
Profit (loss) before income tax expense		(85,024,720.90)	(112,809,012.83)	(57,653,128.30)	(133,255,421.52)
Income tax expense (income)	16, 19	12,290,316.27	(12,343,906.71)	13,089,544.33	(12,812,593.44)
Profit (loss) for the year		(97,315,037.17)	(100,465,106.12)	(70,742,672.63)	(120,442,828.08)
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		156,398,341.01	-	126,851,149.25	-
Defined benefit plan actuarial gains		-	9,550,683.00	-	3,852,310.00
Other comprehensive income before income tax expense		156,398,341.01	9,550,683.00	126,851,149.25	3,852,310.00
Income tax expense	16, 19	(31,279,668.20)	-	(25,370,229.85)	-
Other comprehensive income (loss) for the year		125,118,672.81	9,550,683.00	101,480,919.40	3,852,310.00
Total comprehensive income for the year		27,803,635.64	(90,914,423.12)	30,738,246.77	(116,590,518.08)
Profit (loss) attributable to :					
Owners of the Company		(97,315,037.17)	(100,465,106.12)	(70,742,672.63)	(120,442,828.08)
Non-controlling interests		-	-	-	-
Profit (loss) for the period		(97,315,037.17)	(100,465,106.12)	(70,742,672.63)	(120,442,828.08)
Total comprehensive income attributable to:					
Owners of the Company		27,803,635.64	(90,914,423.12)	30,738,246.77	(116,590,518.08)
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		27,803,635.64	(90,914,423.12)	30,738,246.77	(116,590,518.08)
Basic earnings (loss) per share		(2.43)	(2.51)	(1.77)	(3.01)
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, 2017

	Consolidated financial statements										Unit : Baht
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Equity		Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Revaluation increment in land and building	Currency translation changes in associate	other components of equity	attributable to owners of the Company	owners of the Company		
Balance as of January 1, 2016	400,000,000.00	164,000,000.00	31,839,616.42	87,319,130.11	175,276,512.55	-	175,276,512.55	858,435,259.08	858,435,259.08	30,240.00	858,465,499.08
Comprehensive income for the year :											
Profit (loss)	-	-	-	(100,465,106.12)	-	-	-	(100,465,106.12)	(100,465,106.12)	-	(100,465,106.12)
Other comprehensive income	-	-	-	9,550,683.00	-	-	-	9,550,683.00	9,550,683.00	-	9,550,683.00
Total comprehensive income for the year	-	-	-	(90,914,423.12)	-	-	-	(90,914,423.12)	(90,914,423.12)	-	(90,914,423.12)
Transfer to retained earnings	-	-	-	11,902,515.65	(11,902,515.65)	-	(11,902,515.65)	-	-	-	-
Balance at December 31, 2016	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	767,520,835.96	30,240.00	767,551,075.96
Comprehensive income for the period :											
Profit or loss	-	-	-	(97,315,037.17)	-	-	-	(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	-	125,118,672.81
Total comprehensive income (loss) for the period	-	-	-	(97,315,037.17)	125,118,672.81	-	125,118,672.81	27,803,635.64	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	795,324,471.60	30,240.00	795,354,711.60

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, 2017

	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, 2016	400,000,000.00	164,000,000.00	31,839,616.42	116,038,311.93	79,112,839.86	79,112,839.86	790,990,768.21
Comprehensive income for the period :							
Profit or loss	-	-	-	(120,442,828.08)	-	-	(120,442,828.08)
Other comprehensive income	-	-	-	3,852,310.00	-	-	3,852,310.00
Total comprehensive income (loss) for the period	-	-	-	(116,590,518.08)	-	-	(116,590,518.08)
Transfer to retained earnings	-	-	-	8,332,712.06	(8,332,712.06)	(8,332,712.06)	-
Balance at December 31, 2016	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 period :							
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 period	-	-	-	(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

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, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit (loss) before income tax	(85,024,720.90)	(112,809,012.82)	(57,653,128.30)	(133,255,421.52)
Adjustments to reconcile profit (loss) to cash provided by (used in) operating activities :				
Trade and other current receivables (increase) decrease	(6,500,573.37)	21,313,353.86	26,283,171.59	17,226,943.98
Inventories (increase) decrease				
- Garment business	(24,806,834.41)	17,022,102.63	2,033,590.34	(12,169,774.43)
- Real estate business	20,857,588.23	(36,528,751.56)	23,147,225.56	(25,009,450.56)
Other non - current assets (increase) decrease	(17,729.00)	(111,331.00)	(11,434.00)	(162,476.00)
Trade and other current payables increase (decrease)	4,241,302.28	(35,285,081.36)	(28,206.58)	(13,172,413.95)
Non-current provisions for employee benefit	7,050,076.00	6,128,229.00	3,607,658.00	3,280,440.00
Depreciation and amortization	29,317,705.01	27,102,654.02	20,889,690.74	18,256,909.18
Unrealized loss (gain) on exchange rate	(3,390,720.74)	1,217,335.54	(2,757,873.47)	1,434,443.77
Share of profit (loss) of investment in an associate	4,421.96	4,972.76	-	-
Allowance for (reversal of) declining value of inventories - garment business	11,520,904.00	579,096.00	6,100,000.00	-
Loss on impairment of assets (Note 10)	7,300,000.00	115,550,109.70	7,300,000.00	156,550,109.70
Allowance for (reversal of) impairment loss on other long-term investments	(180,770.00)	(181,025.00)	(151,700.00)	(152,700.00)
Loss (gain) on disposal of assets	(74,999.00)	(21,301.41)	(74,999.00)	-
Loss on assets written-off	46,575.52	86.00	-	17.00
Dividend income	(74,000.00)	-	(65,000.00)	(19,999,988.00)
Interest income	(1,787,030.96)	(10,463,856.74)	(2,456,547.30)	(11,735,564.12)
Interest expense	24,737,856.01	23,636,276.06	24,743,149.23	24,040,366.60
Total adjustment of profit (loss)	(16,780,949.37)	17,153,855.68	50,905,596.81	5,131,441.65
Non-current employee benefit paid	(2,796,500.00)	(252,000.00)	(1,994,500.00)	(252,000.00)
Income tax paid	(2,291,518.62)	(2,546,446.38)	(1,107,331.06)	(597,975.22)
Income tax return	1,349,882.77	1,073,379.20	626,886.70	782,831.50
<b>Net cash provided by (used in) operating activities</b>	<b>(20,519,085.22)</b>	<b>15,428,788.50</b>	<b>48,430,652.45</b>	<b>5,064,297.93</b>

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, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received	1,787,030.96	2,036,324.94	2,142,523.34	3,899,255.61
Dividend received	74,000.00	-	65,000.00	19,999,988.00
Loans and advances to related parties	-	-	(49,352,658.72)	(43,361,244.47)
Proceeds from loans and advances to related parties	-	-	26,545,350.32	53,161,244.47
Cash paid for purchase of investment in a subsidiary	-	-	-	(15,000,000.00)
Cash paid for purchases of property, plants and equipment	(4,955,069.12)	(5,964,017.23)	(2,689,979.02)	(3,515,496.51)
Proceeds from disposal of property, plants and equipment	75,000.00	21,308.41	75,000.00	-
Cash paid for purchases of investment properties	(55,330.00)	(14,000.00)	(55,330.00)	(14,000.00)
Cash paid for purchases of intangible assets	(292,980.00)	(331,000.00)	(292,980.00)	(331,000.00)
Decrease (increase) in deposits with commitment	(2,959,526.22)	19,929,711.37	(3,365,447.83)	21,865,594.98
<b>Net cash provided by (used in) investing activities</b>	<b>(6,326,874.38)</b>	<b>15,678,327.49</b>	<b>(26,928,521.91)</b>	<b>36,704,342.08</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(25,206,147.34)	(23,772,403.92)	(24,842,955.94)	(23,995,053.32)
Increase (decrease) in overdrafts and short - term loans from financial institutions	56,435,395.56	(43,889,161.22)	16,332,515.35	(20,826,392.08)
Repayment of borrowings and advances from related parties	-	-	(21,000,000.00)	(18,130,007.45)
Proceeds from borrowings and advances from related parties	-	-	20,000,000.00	9,130,007.45
Repayment of liability under financial lease	(69,877.40)	(115,388.95)	-	-
Proceeds from long - term loans from financial institutions	5,000,000.00	12,000,000.00	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>36,159,370.82</b>	<b>(55,776,954.09)</b>	<b>(9,510,440.59)</b>	<b>(53,821,445.40)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,313,411.22</b>	<b>(24,669,838.10)</b>	<b>11,991,689.95</b>	<b>(12,052,805.39)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>23,857,952.33</b>	<b>48,527,790.43</b>	<b>4,811,201.19</b>	<b>16,864,006.58</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>33,171,363.55</b>	<b>23,857,952.33</b>	<b>16,802,891.14</b>	<b>4,811,201.19</b>

Supplemental disclosures of cash flow information:

Non-cash transactions

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 for the year ended December 31, 2017

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

# CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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	
			2017	2016
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.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after January 1, 2017. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group/Company.

# CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial periods beginning on or after January 1, 2018 and have not been adopted in the preparation of these consolidated financial statements. The Group/Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

### 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.

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

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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.

**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.



**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
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**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.

**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

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

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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.

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
----------------------------------	----------

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.

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

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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.

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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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.

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**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.)
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, 2017 and 2016, with related parties, were as follows:**

	Pricing policy	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Sales - raw materials and wages</b>	(1)				
C.P.G. Garment Co., Ltd.		-	-	17,485,198.00	13,660,516.17
<b>Sales - equipment</b>	(1)				
C.P.G. Garment Co., Ltd.		-	-	75,000.00	-

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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DECEMBER 31, 2017

		Unit : Baht			
	Pricing policy	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Interest income</b>	(2)				
C.P.G. Garment Co., Ltd.		-	-	679,777.39	1,290,046.56
Yueyang Fengli Pulp & Paper Industry Co., Ltd.		1,766,362.00	1,229,580.94	1,766,362.00	1,229,580.94
Castle Peak Pulp & Paper Industries Co., Ltd.					
(Note 10)		-	9,131,821.97	-	9,131,821.97
<b>Total</b>		<u>1,766,362.00</u>	<u>10,361,402.91</u>	<u>2,446,139.39</u>	<u>11,651,449.47</u>
<b>Dividend income</b>	(3)				
Castle Peak Real Estate Co., Ltd.		-	-	-	19,999,988.00
<b>Purchases - inventories and wages</b>	(1)				
C.P.G. Garment Co., Ltd.		-	-	26,027,573.76	5,971,477.25
<b>Interest expense</b>	(2)				
Castle Peak Real Estate Co., Ltd.		-	-	7,144,204.64	7,476,667.51
<b>Management remuneration</b>		12,894,095.00	14,619,232.00	10,254,271.00	9,909,967.00

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
- (3) Upon declaration

CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

5.3 Significant assets and liabilities at December 31, 2017 and 2016, with related parties, were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Trade account receivable</b>				
<b>Subsidiary</b>				
C.P.G. Garment Co., Ltd.	-	-	4,757,218.26	12,090,984.92
<b>Other current receivables</b>				
<b>Interest receivable</b>				
<b>Subsidiary</b>				
C.P.G. Garment Co., Ltd.	-	-	350,667.80	36,643.84
<b>Associate</b>				
Castle Peak Pulp & Paper Industries Co., Ltd.	72,370,123.53	55,345,092.78	72,370,123.53	55,345,092.78
<u>Less</u> allowance for doubtful account (Note 10)	(72,370,123.53)	(55,345,092.78)	(72,370,123.53)	(55,345,092.78)
Net	-	-	350,667.80	36,643.84
<b>Other receivable</b>				
<b>Associate</b>				
Castle Peak Pulp & Paper Industries Co., Ltd.	34,634,451.91	34,634,451.91	34,634,451.91	34,634,451.91
<u>Less</u> allowance for doubtful accounts (Note 10)	(34,634,451.91)	(34,634,451.91)	(34,634,451.91)	(34,634,451.91)
Net	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>350,667.80</b>	<b>36,643.84</b>
<b>Current portion of long-term loans</b>				
Castle Peak Pulp & Paper Industries Co., Ltd.	65,000,000.00	-	65,000,000.00	-
<u>Less</u> allowance for doubtful accounts (Note 10)	(7,300,000.00)	-	(7,300,000.00)	-
Net	57,700,000.00	-	57,700,000.00	-
<b>Short-term loans and advance</b>				
<b>Subsidiary</b>				
C.P.G. Garment Co., Ltd.	-	-	22,807,308.40	-
<b>Associates</b>				
Yueyang Fengli Pulp & Paper Industry Co., Ltd.	28,637,106.00	28,637,106.00	28,637,106.00	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
<b>Total</b>	<b>205,052,106.00</b>	<b>205,052,106.00</b>	<b>227,859,414.40</b>	<b>205,052,106.00</b>

**CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Long-term loans and other non-current receivables</b>				
<b>Long-term loans</b>				
<b>Associate</b>				
Castle Peak Pulp & Paper Industries Co., Ltd.	37,500,000.00	102,500,000.00	37,500,000.00	102,500,000.00
<b>Interest receivable</b>				
<b>Associate</b>				
Castle Peak Pulp & Paper Industries Co., Ltd.	8,545,534.26	25,570,565.01	8,545,534.26	25,570,565.01
<u>Less</u> allowance for doubtful accounts (Note 10)	(8,545,534.26)	(25,570,565.01)	(8,545,534.26)	(25,570,565.01)
Interest receivable, net	-	-	-	-
<b>Total</b>	<b>37,500,000.00</b>	<b>102,500,000.00</b>	<b>37,500,000.00</b>	<b>102,500,000.00</b>
<b>Trade account payable</b>				
<b>Subsidiary</b>				
C.P.G. Garment Co., Ltd.	-	-	2,204,875.66	223,965.33
<b>Other current payable - interest payable</b>				
<b>Subsidiary</b>				
Castle Peak Real Estate Co., Ltd.	-	-	587,612.50	601,139.90
<b>Short-term loans</b>				
<b>Subsidiary</b>				
Castle Peak Real Estate Co., Ltd.	-	-	112,247,000.00	113,247,000.00



CASTLE PEAK HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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5.4 Movement of short-term loans and advances to related parties during the year ended December 31, 2017 were as follows:

Unit : Baht						
Consolidated financial statements						
December 31,			Gain (loss) on	Transfers in	December 31,	Interest
2016	Increase	(Decrease)	exchange rate	(out)	2017	rate (%)
<b>Loans to :</b>						
<b>Associates</b>						
Yueyang Fengli Pulp & Paper Industry Co., Ltd.	28,637,106.00	-	-	-	28,637,106.00	6.50
Castle Peak Pulp & Paper Industries Co., Ltd.	176,415,000.00	-	-	-	176,415,000.00	6.25-6.50
<b>Total</b>	<b>205,052,106.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,052,106.00</b>	
Unit : Baht						
Separate financial statements						
December 31,			Gain (loss) on	Transfers in	December 31,	Interest
2016	Increase	(Decrease)	exchange rate	(out)	2017	rate (%)
<b>Loans to :</b>						
<b>Subsidiary</b>						
C.P.G. Garment Co., Ltd.	-	48,800,000.00	(26,000,000.00)	-	22,800,000.00	6.25
<b>Associates</b>						
Yueyang Fengli Pulp & Paper Industry Co., Ltd. (1)	28,637,106.00	-	-	-	28,637,106.00	6.50
Castle Peak Pulp & Paper Industries Co., Ltd.	176,415,000.00	-	-	-	176,415,000.00	6.25-6.50
<b>Advances to :</b>						
<b>Subsidiaries</b>						
C.P.G. Garment Co., Ltd.	-	552,658.72	(545,350.32)	-	7,308.40	None
<b>Total</b>	<b>205,052,106.00</b>	<b>49,352,658.72</b>	<b>(26,545,350.32)</b>	<b>-</b>	<b>227,859,414.40</b>	

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**5.5 Movement of long-term loans to a related party during the year ended December 31, 2017 were as follows:**

	(Unit : Baht)					
	Consolidated/ Separate financial statements					
	December 31,				December 31,	Interest
	2016	Increase	(Decrease)	Transfers in (out)	2017	rate (%)
Loans to :						
Associate						
Castle Peak Pulp & Paper Industries Co., Ltd.						
- Current portion of long-term loans	-	-	-	65,000,000.00	65,000,000.00	
- Long-term loans	102,500,000.00	-	-	(65,000,000.00)	37,500,000.00	
Total	(2) 102,500,000.00	-	-	-	102,500,000.00	6.25
Less allowance for doubtful accounts						
(Note 10)	-	(7,300,000.00)	-	-	(7,300,000.00)	
Net	102,500,000.00	(7,300,000.00)	-	-	95,200,000.00	

**5.6 Movement of short-term loans and advances from related parties during the year ended December 31, 2017 were as follows:**

(Unit : Baht)				
	Separate financial statements			
	December 31, 2016	Increase	(Decrease)	December 31, 2017
<b>Loans from :</b>				
<b>Subsidiary</b>				
Castle Peak Real Estate Co., Ltd.	113,247,000.00	20,000,000.00	(21,000,000.00)	112,247,000.00
Total	113,247,000.00	20,000,000.00	(21,000,000.00)	112,247,000.00

- (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, 2017. However, on August 1, 2017, the Company entered into an amendment to extend the repayment period to August 24, 2018.
- (2) The Company has entered into long-term agreements. These loans bear interest rates at MLR, but not over 15% p.a.. The principals and accrued interest expenses will be repaid during the years 2018 and 2019.

Except for the above mentioned, as of December 31, 2017 and 2016, 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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6. Cash and cash equivalents

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	93,027.00	95,000.00	40,000.00	40,000.00
Current accounts	32,591,900.35	23,271,775.60	16,678,562.49	4,677,363.69
Saving deposits	486,436.20	491,176.73	84,328.65	93,837.50
Total	33,171,363.55	23,857,952.33	16,802,891.14	4,811,201.19

7. Trade and other current receivables

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Trade accounts receivable					
- Related party	5	-	-	4,757,218.26	12,090,984.92
- Other parties		165,804,076.29	158,111,994.87	76,008,340.74	93,679,432.47
Total trade accounts receivables		165,804,076.29	158,111,994.87	80,765,559.00	105,770,417.39
Other current receivables					
- Related party	5	107,004,575.44	89,979,544.69	107,355,243.24	90,016,188.53
- Other parties		4,373,844.15	6,417,049.34	2,785,998.43	4,378,685.37
Less allowance for doubtful accounts	5	(107,004,575.44)	(89,979,544.69)	(107,004,575.44)	(89,979,544.69)
Other current receivables, net		4,373,844.15	6,417,049.34	3,136,666.23	4,415,329.21
Total		170,177,920.44	164,529,044.21	83,902,225.23	110,185,746.60

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Aging analyses for trade accounts receivable were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Related party				
Within credit term	-	-	4,757,218.26	223,176.43
Over due				
- Not over 3 months	-	-	-	7,732,386.51
- Over 3 months but not over 6 months	-	-	-	17,324.31
- Over 6 months but not over 12 months	-	-	-	1,163,615.95
- Over 12 months	-	-	-	2,954,481.72
Total	-	-	4,757,218.26	12,090,984.92
Other parties				
Within credit term	161,217,351.78	139,706,486.94	74,755,117.68	90,665,299.18
Over due				
- Not over 3 months	4,586,724.51	18,405,507.93	1,253,223.06	3,014,133.29
Total	165,804,076.29	158,111,994.87	76,008,340.74	93,679,432.47

**8. Inventories - garment business**

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	19,424,264.98	21,143,715.23	10,712,882.99	11,905,390.68
Work in process	106,545,447.20	92,978,552.46	71,202,730.64	76,226,718.55
Raw materials and supplies	100,292,476.96	91,417,758.92	69,608,354.66	60,750,406.31
Raw materials in transit	17,249,450.32	13,164,778.44	8,146,077.37	12,821,120.46
Total	243,511,639.46	218,704,805.05	159,670,045.66	161,703,636.00
<u>Less</u> allowance for declining in value of inventories	(12,100,000.00)	(579,096.00)	(6,100,000.00)	-
Net	231,411,639.46	218,125,709.05	153,570,045.66	161,703,636.00

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The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended December 31, 2017 amounted to Baht 1,104.87 million (2016 : Baht 1,047.56 million) in the consolidated statements of comprehensive income and Baht 707.94 million (2016: Baht 623.47 million) in the separate statements of comprehensive income.

In 2017, the Group recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 15.30 million and recognised a recovery of allowance for decline in value of inventories of Baht 3.78 million (2016 : recognised a reversal of allowance for decline in value of inventories of Baht 0.58 million).

9. Inventories- real estate business

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land	206,600,403.00	202,482,961.00	85,689,465.00	85,689,465.00
Land development	33,739,418.39	33,681,198.39	2,092,252.50	2,092,252.50
Construction in progress	595,265,358.84	576,027,358.76	236,076,115.30	230,777,181.22
Infrastructure	125,581,797.69	124,002,262.95	36,399,440.36	36,335,496.61
Construction development costs	36,059,873.36	31,809,574.49	7,131,092.68	5,740,480.26
Others	680,000.00	680,000.00	-	-
Total	997,926,851.28	968,683,355.59	367,388,365.84	360,634,875.59
Less cumulative costs transferred				
to cost of sales	(797,830,827.71)	(748,657,565.70)	(296,846,781.50)	(266,946,065.69)
Net	200,096,023.57	220,025,789.89	70,541,584.34	93,688,809.90

As at December 31, 2017, inventories- real estate business of the Company and subsidiaries totaling Baht 159.55 million (2016 : Baht 155.97 million) in consolidated financial statements and Baht 36.34 million (2016 : Baht 34.37 million) in separate financial statements, are mortgaged as collateral for long-term loans (Note 15) and letters of guarantee for construction and maintenance of infrastructures (Note 23).

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**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	
				2017	2016
<b>Investment in associates :-</b>					
Castle Peak Pulp & Paper Co., Ltd.	Pulp & paper	100,000	41.00	-	-
Thanee Watana Co., Ltd. <sup>(1)</sup>	Real estate	3,750	49.00	3,019,201.72	3,023,623.68
Total investment in associates				3,019,201.72	3,023,623.68

Name	Type of business	Paid-in	Ownership interest (%)	Unit : Baht			
		capital (Thousand Baht)		Separate financial statements			
				Investment at cost method		Dividend income	
				2017	2016	2017	2016
<b>Investments in subsidiaries :-</b>							
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	-	19,999,988.00
<b>Investment in associates :-</b>							
Castle Peak Pulp & Paper Co., Ltd.	Holding	100,000	41.00	41,000,000.00	41,000,000.00	-	-
Thanee Watana Co., Ltd. <sup>(1)</sup>	Real estate	3,750	49.00	1,837,500.00	1,837,500.00	-	-
<b>Less allowance for impairment</b>				<b>(41,000,000.00)</b>	<b>(41,000,000.00)</b>	<b>-</b>	<b>-</b>
<b>Total</b>				<b>248,007,380.00</b>	<b>248,007,380.00</b>	<b>-</b>	<b>19,999,988.00</b>

<sup>(1)</sup> 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, 2017 amounted to Baht 0.00 million (2016 : Baht (0.00) million), were computed from the financial statements which audited by other auditors.

In December 2016, a subsidiary (C.P.G. Garment Co., Ltd.) increased authorized share capital of Baht 15.00 million. The Company wholly invested in such increment, totaling Baht 15.00 million. The Company's interest in such company therefore, was increased from 99.90% to 99.94%.

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.

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“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 of and of Baht 156.55 million under 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.

In November 2016, the mentioned director submitted the letter to confirm his previous purchase proposal to the Company board of director.

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

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:
  - 1<sup>st</sup> installment, repay within February 28, 2018, amounted to Baht 40,000,000
  - 2<sup>nd</sup> installment, repay within March 31, 2019, amounted to Baht 30,000,000
  - 3<sup>rd</sup> 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.

As per loan restructure agreement, the Company recognized allowance for doubtful accounts of long term based to fair value of Baht 7.30 million in the consolidated and separate financial statements. This transaction was presented under loss on

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impairment of assets of Baht 7.30 million in the consolidated and separate statements of income for the year ended December 31, 2017.

On February 27, 2018, the Company has received the 1<sup>st</sup> installment of Baht 40.00 million as identified in the loan restructure agreement.

11. Property, plant and equipment

	Consolidated financial statements				Unit : Baht
	As at December 31, 2016	Increase	Decrease	Transfer in (out)	As at December 31, 2017
<b>Cost plus revaluation surplus :</b>					
Land and improvement	46,304,335.50	-	-	-	46,304,335.50
Land - revaluation surplus	134,770,313.20	97,973,250.00	-	-	232,743,563.20
Buildings	116,188,190.52	156,700.00	-	-	116,344,890.52
Buildings - revaluation surplus	266,729,947.63	58,425,091.01	-	-	325,155,038.64
<b>Cost :</b>					
Machinery and equipment	338,870,311.83	1,334,656.59	(134,300.00)	-	340,070,668.42
Furniture and office equipment	118,709,970.15	1,149,479.14	-	-	119,859,449.29
Leasehold building improvement	3,949,846.28	-	-	-	3,949,846.28
Other constructions	355,562.61	-	-	-	355,562.61
Vehicles	35,803,511.42	1,641,442.00	-	-	37,444,953.42
Asset on the way	-	672,791.39	-	-	672,791.39
<b>Total cost</b>	<b>1,061,681,989.14</b>	<b>161,353,410.13</b>	<b>(134,300.00)</b>	<b>-</b>	<b>1,222,901,099.27</b>
<b>Accumulated depreciation :</b>					
Land improvement	(10,298,398.70)	-	-	-	(10,298,398.70)
Building	(104,083,751.38)	(1,938,184.77)	-	-	(106,021,936.15)
Building - revaluation surplus	(197,282,764.69)	(18,596,816.99)	-	-	(215,879,581.68)
Machinery and equipment	(325,522,873.82)	(5,892,517.94)	134,299.00	-	(331,281,092.76)
Furniture and office equipment	(116,532,838.58)	(1,263,509.00)	-	-	(117,796,347.58)
Leasehold building improvement	(3,908,882.51)	(5,076.00)	-	-	(3,913,958.51)
Other constructions	(238,671.83)	(17,778.12)	-	-	(256,449.95)
Vehicles	(34,801,271.56)	(470,748.21)	-	-	(35,272,019.77)
<b>Total accumulated depreciation</b>	<b>(792,669,453.07)</b>	<b>(28,184,631.03)</b>	<b>134,299.00</b>	<b>-</b>	<b>(820,719,785.10)</b>
<b>Net</b>	<b>269,012,536.07</b>	<b>133,168,779.10</b>	<b>(1.00)</b>	<b>-</b>	<b>402,181,314.17</b>



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	Unit : Baht				
	Separate financial statements				
	As at December 31, 2016	Increase	Decrease	Transfer in (out)	As at December 31, 2017
<b>Cost plus revaluation surplus :</b>					
Land and land improvement	40,104,335.50	-	-	-	40,104,335.50
Land - revaluation surplus	50,596,313.20	94,385,250.00	-	-	144,981,563.20
Buildings	90,369,339.19	-	-	-	90,369,339.19
Buildings - revaluation surplus	177,069,206.03	32,465,899.25	-	-	209,535,105.28
<b>Cost :</b>					
Machinery and equipment	219,496,417.80	1,065,809.38	(134,300.00)	-	220,427,927.18
Furniture and office equipment	72,422,731.93	951,378.25	-	-	73,374,110.18
Vehicles	4,707,007.94	-	-	-	4,707,007.94
Asset on the way	-	672,791.39	-	-	672,791.39
<b>Total cost</b>	<b>654,765,351.59</b>	<b>129,541,128.27</b>	<b>(134,300.00)</b>	<b>-</b>	<b>784,172,179.86</b>
<b>Accumulated depreciation :</b>					
Land improvement	(10,298,398.70)	-	-	-	(10,298,398.70)
Building	(86,324,460.97)	(1,071,540.61)	-	-	(87,396,001.58)
Building - revaluation surplus	(139,190,359.48)	(13,550,165.67)	-	-	(152,740,525.15)
Machinery and equipment	(210,187,861.36)	(4,158,168.99)	134,299.00	-	(214,211,731.35)
Furniture and office equipment	(70,907,383.16)	(940,795.33)	-	-	(71,848,178.49)
Vehicles	(4,125,784.37)	(147,246.06)	-	-	(4,273,030.43)
<b>Total accumulated depreciation</b>	<b>(521,034,248.04)</b>	<b>(19,867,916.66)</b>	<b>134,299.00</b>	<b>-</b>	<b>(540,767,865.70)</b>
<b>Net</b>	<b>133,731,103.55</b>	<b>109,673,211.61</b>	<b>(1.00)</b>	<b>-</b>	<b>243,404,314.16</b>

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, 2017, substantial parcels of land and construction thereon of the Group, with net carrying value of Baht 386.02 million (2016 : Baht 250.00 million) in the consolidated financial statements, and Baht 232.22 million (2016 : Baht 119.99 million) in the separate financial statements, were mortgaged as collateral for overdrafts and short-term loans from financial institutions of the Group (Note 13).

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As at December 31, 2017, the Group had fully depreciated fixed assets which were still in active use at gross carrying value totaling Baht 467.46 million (2016 : Baht 450.85 million) in the consolidated financial statements and Baht 275.28 million (2016 : Baht 266.54 million) in the separate financial statements.

12. Investment properties

	Unit : Baht			
	Consolidated financial statements			
	As at December 31, 2016	Increase	Decrease	Transfer in (out)
				As at December 31, 2017
<b>Cost :</b>				
Land and land improvement	98,998,706.00	55,330.00	-	-
Buildings and other constructions	37,755,071.56	-	-	-
<b>Total cost</b>	<b>136,753,777.56</b>	<b>55,330.00</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation :</b>				
Land improvement	(80,552.01)	-	-	-
Buildings and other constructions	(24,534,625.41)	(943,886.52)	-	-
<b>Total accumulated depreciation</b>	<b>(24,615,177.42)</b>	<b>(943,886.52)</b>	<b>-</b>	<b>-</b>
<b>Allowance for impairment of assets</b>				
Buildings and other constructions	(2,336,002.90)	-	-	-
<b>Total allowance for impairment of assets</b>	<b>(2,336,002.90)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>109,802,597.24</b>	<b>(888,556.52)</b>	<b>-</b>	<b>-</b>

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	Unit : Baht			
	Separate financial statements			
	As at December 31, 2016	Increase	Decrease	As at December 31, 2017
			Transfer in (out)	
<b>Cost :</b>				
Land and land improvement	99,400,361.00	55,330.00	-	99,455,691.00
Buildings	33,861,732.66	-	-	33,861,732.66
<b>Total cost</b>	<b>133,262,093.66</b>	<b>55,330.00</b>	<b>-</b>	<b>133,317,423.66</b>
<b>Accumulated depreciation :</b>				
Land improvement	(80,552.01)	-	-	(80,552.01)
Buildings	(22,977,289.41)	(943,886.52)	-	(23,921,175.93)
<b>Total accumulated depreciation</b>	<b>(23,057,841.42)</b>	<b>(943,886.52)</b>	<b>-</b>	<b>(24,001,727.94)</b>
<b>Net</b>	<b>110,204,252.24</b>	<b>(888,556.52)</b>	<b>-</b>	<b>109,315,695.72</b>

Fair value of investment properties as at December 31, 2017 is as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	At cost	Fair value	At cost	Fair value
Land	71,724,923.00	237,054,200.00	72,126,578.00	220,316,200.00
Land and buildings	37,189,117.72	108,583,344.00	37,189,117.72	108,583,344.00
<b>Total</b>	<b>108,914,040.72</b>		<b>109,315,695.72</b>	

Fair values are appraised values, performed by independence appraisers, Siam Appraisal Service Co., Ltd., UK. Valuations and Agency 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, 2017, investment properties of the Company, with net carrying value of Baht 25.56 million (2016: Baht 26.12 million) in the consolidated and separate financial statements, were mortgaged as collateral for overdrafts and short-term loans from financial institutions of the Company (Note 13).

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13. Overdrafts and short-term loans from financial institutions

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	4,803,447.96	8,343,725.78	547,991.33	4,936,192.24
Short - term loans from banks				
- Packing credits	313,100,000.00	255,300,000.00	228,400,000.00	197,300,000.00
- Liability under trust receipts	124,213,873.04	126,210,975.78	84,413,641.77	97,854,166.37
Total	442,117,321.00	389,854,701.56	313,361,633.10	300,090,358.61

As at December 31, 2017, the Group has credit facilities with several banks totaling Baht 604.42 million (2016: Baht 604.42 million) in the consolidated financial statements and Baht 439.00 million (2016 : 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.

14. Trade and other current payables

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Trade accounts payable					
- Related party	5	-	-	2,204,875.66	223,965.33
- Other parties		48,930,086.95	45,230,499.90	29,288,745.31	31,659,893.99
Total trade accounts payable		48,930,086.95	45,230,499.90	31,493,620.97	31,883,859.32
Other current payables					
- Related party	5	-	-	587,612.50	601,139.90
- Other parties		52,356,143.37	51,424,539.32	29,935,371.97	29,670,625.86
Total other current payables		52,356,143.37	51,424,539.32	30,522,984.47	30,271,765.76
Total		101,286,230.32	96,655,039.22	62,016,605.44	62,155,625.08

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15. Long - term loans from financial institutions

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current portion of long-term loans	12,000,000.00	-	-	-
Long-term loans	7,000,000.00	14,000,000.00	-	-
Total	19,000,000.00	14,000,000.00	-	-

As at December 31, 2017, 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 (2016: 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, 2017, two subsidiaries have credit facilities for its real estate project with local banks totaling Baht 202.30 million (2016 : 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.

16. Deferred tax

Deferred tax assets and liabilities as at December 31, 2017 and 2016 were as follows:

	Unit : Baht			
	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
Deferred tax assets	9,532,928.14	16,666,768.19	-	-
Deferred tax liabilities	-	-	(80,782,128.67)	(44,345,984.25)
Total	9,532,928.14	16,666,768.19	(80,782,128.67)	(44,345,984.25)
Set off of tax	(9,314,459.66)	(16,220,469.72)	9,314,459.66	16,220,469.72
Net deferred tax assets (liabilities)	218,468.48	446,298.47	(71,467,669.01)	(28,125,514.53)

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	Unit : Baht	
	Separate financial statements	
	2017	2016
Deferred tax assets	130,800.00	16,220,469.72
Deferred tax liabilities	(43,451,496.13)	(21,081,391.67)
Net deferred tax assets (liabilities)	(43,320,696.13)	(4,860,921.95)

Movements in deferred tax assets and liabilities during the year 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements			
	(Charged) / Credited to:			
	As at January 1, 2017	Profit or loss	Other comprehensive income	As at December 31, 2017
Deferred tax assets :				
Investment properties	155,733.47	(38,933.39)	-	116,800.08
Loss carry forward	201,279.00	(201,279.00)	-	-
Others	89,286.00	12,382.40	-	101,668.40
Total deferred tax assets	446,298.47	(227,829.99)	-	218,468.48
Deferred tax liabilities :				
Investment in associate	7,960,989.94	(8,197,330.28)	-	(236,340.34)
Land and buildings	(41,445,245.94)	3,882,930.74	(31,279,668.20)	(68,841,983.40)
Investment properties	(2,661,728.25)	141,582.98	-	(2,520,145.27)
Loss carry forward	7,915,469.72	(7,915,469.72)	-	-
Others	105,000.00	25,800.00	-	130,800.00
Total deferred tax liabilities	(28,125,514.53)	(12,062,486.28)	(31,279,668.20)	(71,467,669.01)
Total credited (charged)		(12,290,316.27)	(31,279,668.20)	

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	Unit : Baht		
	Separate financial statements		
	(Charged) / Credited to:		
	As at January 1, 2017	Profit or loss	Other comprehensive income
			As at December 31, 2017
Deferred tax assets (liabilities)			
Investment in associate	8,200,000.00	(8,200,000.00)	-
Land and buildings	(18,419,663.42)	2,858,542.41	(25,370,229.85)
Investment properties	(2,661,728.25)	141,582.98	-
Loss carry forward	7,915,469.72	(7,915,469.72)	-
Others	105,000.00	25,800.00	-
Net	(4,860,921.95)	(13,089,544.33)	(25,370,229.85)

As at December 31, 2017, deferred tax assets arising from temporary differences and unused tax losses of Baht 54.78 million (2016 : Baht 37.84 million) in the consolidated financial statements and Baht 37.90 million (2016 : Baht 22.56 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.

**17. 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, 2017	38,878,120.00	23,000,067.00
Recognised through profit or loss :		
Current service costs and interest	7,050,076.00	3,607,658.00
Benefit paid by projects	(2,796,500.00)	(1,994,500.00)
Defined benefit obligations as at December 31, 2017	43,131,696.00	24,613,225.00

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18. Expenses by nature

Significant expenses by nature for the years ended December 31, 2017 and 2016, were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Raw materials and supplies used	640,793,342.44	608,526,569.86	445,109,535.06	383,126,340.08
Changes in finished goods and work in process	(11,847,444.49)	20,053,681.45	6,216,495.60	4,225,699.82
Increase in land, construction in progress and utilities during the year	24,993,196.82	99,000,554.61	5,362,877.83	53,769,698.49
Changes in real estate under development projects	15,852,766.32	(36,874,733.75)	23,147,225.56	(25,009,450.56)
Salary, wages and other employee benefits	431,787,687.00	428,159,558.00	261,965,759.00	243,798,336.00
Depreciation and amortization	29,348,105.01	27,102,654.02	20,920,090.74	18,256,909.18
Utility expenses	25,953,682.21	26,296,142.20	15,424,307.45	15,051,130.70
Rental and services	21,681,129.25	21,896,807.46	13,568,576.62	9,441,613.38
Transportation expense	7,476,449.77	7,717,457.84	4,304,988.39	3,474,061.64
Repair and maintenance expenses	12,375,170.10	9,447,069.71	9,029,027.81	5,906,654.83
Loss on declining value of inventories	11,520,904.00	579,096.00	6,100,000.00	-



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19. Income tax expense (income)

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Income tax recognised in profit or loss</b>				
Current tax expense :				
Current year	-	1,256,642.21	-	-
Under provided in prior year	-	206,777.07	-	-
	-	1,463,419.28	-	-
Deferred tax expense :				
Movements in temporary differences	4,173,567.55	(11,513,641.28)	5,174,074.61	(10,720,187.74)
Benefit of tax losses recognised	8,116,748.72	(2,293,684.71)	7,915,469.72	(2,092,405.70)
	12,290,316.27	(13,807,325.99)	13,089,544.33	(12,812,593.44)
Net	12,290,316.27	(12,343,906.71)	13,089,544.33	(12,812,593.44)
<b>Income tax recognized in other comprehensive income</b>				
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 (%)	2017	Applicable tax rate (%)	2016
Accounting profit (loss) before income tax	20	(85,024,720.90)	20	(112,809,012.82)
Tax at the applicable tax rate		(17,004,944.18)		(22,561,802.56)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		29,295,260.45		14,016,344.85
Benefit of tax losses recognised		-		(4,005,226.07)
Under provided in prior year		-		206,777.07
Net		12,290,316.27		(12,343,906.71)

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	Unit : Baht			
	Separate financial statements			
	Applicable tax rate (%)	2017	Applicable tax rate (%)	2016
Accounting profit (loss) before income tax	20	(57,653,128.30)	20	(133,255,421.52)
Tax at the applicable tax rate		(11,530,625.66)		(26,651,084.30)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		24,620,169.99		17,578,258.35
Benefit of tax losses recognised		-		(3,739,767.49)
Net		13,089,544.33		(12,812,593.44)

20. 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, 2017 and 2016 as follows:

	Consolidated financial statements											Unit : Million Baht
	2017					2016						
	Garment	Real estate	Others	Total	Add (less) inter - transactions	Net	Garment	Real estate	Others	Total	Add (less) inter - transactions	Net
External revenue	1,117	73	-	1,190	-	1,190	1,160	107	-	1,267	-	1,267
Inter-segment revenue	44	4	-	48	(48)	-	20	-	-	20	(20)	-
Total revenue	1,161	77	-	1,238	(48)	1,190	1,180	107	-	1,287	(20)	1,267
Segment results	(47)	8	-	(39)	(13)	(52)	44	19		63	(35)	28
Unallocated income (expenses)												
Share of profit (loss) from investment in associate						-						-
Loss on impairment of assets						(7)						(115)
Financial costs						(26)						(25)
Income tax (expense) income						(3)						12
Profit (loss) for the year						(97)						(100)
Segment assets	1,441	461	10	1,912	(440)	1,472	1,272	483	10	1,765	(430)	1,335

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**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	
	2017	2016
Foreign countries	1,100	1,138
Domestic	90	129
Total revenue	1,190	1,267

**Major customer**

Revenues from three major customers of the Group's garment manufacturing segment represent approximately Baht 824 million for the year 2017 (2016: Baht 853 million) of the consolidated revenues.

**21. Commitments from real estate developing projects**

	Unit : Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Value of sales already contracted during the year	82.68	74.03	46.91	49.73
Cumulative value of sales already contracted	1,007.95	1,056.98	439.91	393.00
As percentage of total sales of projects on hand (%)	72.12	68.71	83.67	75.35
Number of projects:				
Number of projects on hand at beginning of the year	5	5	1	1
Number of new opened projects	-	-	-	-
Number of closed projects	(1)	-	-	-
Number of projects on hand at end of the year	4	5	1	1

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**22. Financial instruments**

**22.1 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.

**22.2 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.

**22.3 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 15.

**22.4 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, 2017 and 2016, 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			
	2017		2016	
	Assets	Liabilities	Assets	Liabilities
US Dollar	190	118	172	120
Hong Kong Dollar	-	31	-	26

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	Unit : Million Baht			
	Separate financial statements			
	2017		2016	
	Assets	Liabilities	Assets	Liabilities
US Dollar	100	80	108	91
Hong Kong Dollar	-	19	-	19

**22.5 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.

**22.6 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.

**22.7 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.

**23. Commitments and contingent liabilities**

As at December 31, 2017 :

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

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23.2 The Company and a subsidiary had commitment on letter of credit for purchasing goods from overseas totaling Baht 26.83 million,

23.3 The Company and two subsidiaries 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 41.94 million,

23.4 The Company and a subsidiary had commitments on the agreements of development and construction of real estate projects totaling Baht 36.71 million.

**24. Reclassification of accounts**

Certain accounts in the financial statements for the year 2016 have been reclassified to comply with the presentation of the 2017 financial statements. Significant reclassifications were as follows:

	Unit : Baht		
	Consolidated financial statements		
	Before reclassification	Reclassification	After reclassification
<b>Consolidated statements of financial position at</b>			
<b>December 31, 2016</b>			
Trade and other current receivables	158,423,486.33	6,105,557.88	164,529,044.21
Other current assets	8,460,921.47	(8,460,921.47)	-
Other non - current assets	12,798,501.90	2,355,363.59	15,153,865.49
Trade and other current payables	59,095,398.24	37,559,640.98	96,655,039.22
Advances received under contract to buy and to sell	2,053,000.00	(2,053,000.00)	-
Other current liabilities	35,506,640.98	(35,506,640.98)	-

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	Unit : Baht		
	Separate financial statements		
	Before reclassification	Reclassification	After reclassification
<b>Separate statements of financial position at</b>			
<b>December 31, 2016</b>			
Trade and other current receivables	106,005,169.56	4,180,577.04	110,185,746.60
Other current assets	5,405,438.96	(5,405,438.96)	-
Other non - current assets	5,505,925.37	1,224,861.92	6,730,787.29
Trade and other current payables	38,318,161.81	23,837,463.27	62,155,625.08
Advances received under contract to buy and to sell	1,848,000.00	(1,848,000.00)	-
Other current liabilities	21,989,463.27	(21,989,463.27)	-

**25. Financial statements approval**

Board of Directors of Castle Peak Holdings Public Company Limited has approved these financial statements on February 27, 2018.