

**I.C.C. International Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of I.C.C. International Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of I.C.C. International Public Company Limited and its subsidiaries (the "Group"), and of I.C.C. International Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventory	
Refer to Note 3 (e) and 9	
The key audit matter	How the matter was addressed in the audit
<p>The Company sells fashion goods and others which are subject to rapid change in consumer's demand. As a result there is the risk that holding a high amount of inventory may result in the Company being unable to sell products before market trend and customer demand changes which may result in the cost of inventories being higher than net realizable value including any inventory obsolescence. Therefore, the valuation of inventories involve management's judgment in determining the adequate provision for obsolete stocks to present the appropriate valuation of inventory based upon a detailed analysis of the inventory report and the related accounting policy. This is an area of focus in my audit.</p>	<p>In this area my audit procedures included:</p> <ul style="list-style-type: none"> • understanding the process of inventories valuation by inquiry of the responsible person in this area, and identifying controls and performing tests of controls over the inventory process; • testing items on the inventory aging report to check aging with the related documents to consider that these were classified in the appropriate aging bracket with the assistance of KPMG Information Risk Management Audit; • assessing the appropriateness of the methodology used for calculating the provision for obsolete by challenging the assumptions, category of inventory and comparing with historical experience and testing on a sample of the detail of outstanding balances and sales plan; • considering the value of inventories by comparing cost and the selling price less related selling expenses and testing on a sample basis with the related supporting documents; and • assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.

Valuation of other long-term investments	
Refer to Note 3 (h) and 14	
The key audit matter	How the matter was addressed in the audit
<p>The Company has significant investments in affiliated companies and other companies. The Company has a significant risk over the valuation of these investments including the provision of impairment, which is based on the Company’s policy and involves management’s judgment in determining the adequacy of the provision to present the appropriate valuation of others long-term investments. This is an area of focus in my audit.</p>	<p>In this area my audit procedures included:</p> <ul style="list-style-type: none"> • assessing the process to identify indications of impairment and understanding the impairment process performed by the management; • considering the profitability of the invested companies from the audited financial statements, historical data and other information in order to assess the adequacy of the allowance for impairment of the investments; and • assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.

Revenue recognition - consignment	
Refer to Note 3 (r) and 24	
The key audit matter	How the matter was addressed in the audit
<p>The Company is the leader in distribution of fashion consumer products in department stores as major channel and various stores as the minor channel.</p> <p>In consignment sales, the ownership does not pass to the customer on delivery and in some cases, the customer has the right to return the product in certain circumstances which can take a variety of forms and revenue from sales should not be recognized until ownership has passed to the customer. The terms of the arrangement may stipulate that the consignee will not take ownership to or pay for the goods until they are sold by the consignee to a third party. This is an area of focus in my audit.</p>	<p>In this area my audit procedures included:</p> <ul style="list-style-type: none"> • understanding and assessing the design and testing the operating effectiveness of internal controls related to recognition of the consignment sales; • testing a sample of sales transaction and sales returns during the year and the period near the end of year; • testing samples of journal entries posted to revenue accounts to consider any possible irregular sales transactions; • performing reconciliation between the input data with data in ERP system with the assistance of KPMG Information Risk Management Audit; • comparing revenue reported by group of product in the current reporting period with prior period to identify unusual transactions; and • assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2019

I.C.C. International Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	1,404,374,301	911,101,101	1,378,050,315	875,732,812
Current investment		412,802,015	-	412,802,015	-
Trade accounts receivable	5, 7	1,784,660,531	1,921,071,206	1,760,025,140	1,915,419,056
Short-term loans	5, 8	90,000,000	30,000,000	232,510,200	195,700,000
Inventories	9	3,356,988,100	3,426,793,091	3,366,240,610	3,406,779,488
Real estate projects underdevelopment	10	124,480,286	157,760,079	-	-
Out put VAT on consignment sales of inventories		304,874,786	317,605,942	304,874,786	317,605,942
Prepaid income tax		34,228,966	-	34,228,966	-
Other current assets		143,350,272	138,580,217	135,840,818	130,662,619
Total current assets		7,655,759,257	6,902,911,636	7,624,572,850	6,841,899,917
Non-current assets					
Restricted deposits at financial institution		2,948,839	2,948,839	-	-
Long-term loans	5, 8	-	60,000,000	-	60,000,000
Investments held as available for sale	11	9,091,795,546	9,068,041,533	9,091,795,546	9,068,041,533
Investments in subsidiaries	12	-	-	47,253,167	63,825,275
Investments in associates	13	837,165,352	826,905,757	593,443,477	635,735,941
Other long-term investments	14	1,856,420,915	2,261,056,639	1,871,721,151	2,259,967,638
Investment properties	15	1,005,017,332	1,031,767,312	1,071,987,785	1,100,051,063
Property, plant and equipment	16	2,848,797,895	2,874,171,414	2,770,418,908	2,791,768,868
Other non-current assets	17	251,606,588	252,354,198	235,370,359	233,023,501
Total non-current assets		15,893,752,467	16,377,245,692	15,681,990,393	16,212,413,819
Total assets		23,549,511,724	23,280,157,328	23,306,563,243	23,054,313,736

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2018	2017	2018	2017
<i>(in Baht)</i>					
Current liabilities					
Short-term borrowing from financial institutions	19	20,000,000	20,000,000	-	-
Short-term borrowing from related party	5, 19	10,000,000	10,000,000	-	-
Trade accounts payable	5, 20	1,273,490,392	1,311,449,589	1,236,401,910	1,274,070,937
Others payable	5	677,045,350	627,643,987	662,847,494	616,075,899
Income tax payable		-	44,775,776	-	44,775,776
Total current liabilities		1,980,535,742	2,013,869,352	1,899,249,404	1,934,922,612
Non-current liabilities					
Deferred tax liabilities	18	692,472,827	734,450,878	690,091,272	732,069,324
Provisions for employee benefit	21	588,805,032	577,737,669	549,549,703	537,303,413
Other non-current liabilities		42,463,787	43,454,924	41,456,364	42,369,848
Total non-current liabilities		1,323,741,646	1,355,643,471	1,281,097,339	1,311,742,585
Total liabilities		3,304,277,388	3,369,512,823	3,180,346,743	3,246,665,197
Equity					
Share capital:	22				
Authorized share capital		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid share capital		290,633,730	290,633,730	290,633,730	290,633,730
Additional paid in capital:					
Premium on ordinary shares		1,487,143,830	1,487,143,830	1,487,143,830	1,487,143,830
Surplus on treasury shares		51,433,146	51,433,146	51,433,146	51,433,146
Retained earnings:					
Appropriated					
Legal reserve	23	50,000,000	50,000,000	50,000,000	50,000,000
General reserve	23	1,869,149,212	1,789,311,343	1,869,149,212	1,789,311,343
Unappropriated		11,003,253,799	10,438,354,093	10,888,944,765	10,334,850,683
Other components of equity		5,489,350,841	5,804,059,837	5,488,911,817	5,804,275,807
Equity attributable to owners of the parent		20,240,964,558	19,910,935,979	20,126,216,500	19,807,648,539
Non-controlling interests		4,269,778	(291,474)	-	-
Total equity		20,245,234,336	19,910,644,505	20,126,216,500	19,807,648,539
Total liabilities and equity		23,549,511,724	23,280,157,328	23,306,563,243	23,054,313,736

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Revenue from sale of goods	24	12,349,628,163	12,446,980,013	12,067,451,935	12,246,902,914
Cost of sales of goods	9	<u>7,838,876,341</u>	<u>7,862,926,277</u>	<u>7,595,702,436</u>	<u>7,702,266,465</u>
Gross profit		<u>4,510,751,822</u>	<u>4,584,053,736</u>	<u>4,471,749,499</u>	<u>4,544,636,449</u>
Other income					
Dividends income		528,011,533	469,655,373	545,351,902	490,574,453
Gain on disposal of assets		33,621,761	82,482,616	33,604,718	82,348,925
Gain on disposal of investments held as available for sale		169,202,515	242,619,598	169,202,515	242,619,598
Other		<u>247,792,401</u>	<u>215,849,547</u>	<u>245,702,262</u>	<u>215,725,315</u>
Total other income		<u>978,628,210</u>	<u>1,010,607,134</u>	<u>993,861,397</u>	<u>1,031,268,291</u>
Profit before expenses		<u>5,489,380,032</u>	<u>5,594,660,870</u>	<u>5,465,610,896</u>	<u>5,575,904,740</u>
Expenses					
Distribution costs	25	2,890,384,003	3,078,118,575	2,877,500,022	3,061,949,775
Administrative expenses	26	1,637,037,817	1,610,182,633	1,593,204,677	1,629,132,887
Finance costs		<u>1,640,056</u>	<u>1,612,430</u>	<u>-</u>	<u>1,316</u>
Total expenses		<u>4,529,061,876</u>	<u>4,689,913,638</u>	<u>4,470,704,699</u>	<u>4,691,083,978</u>
Share of profit of investments in associates	13	<u>48,547,572</u>	<u>28,730,424</u>	<u>-</u>	<u>-</u>
Profit before income tax expense		<u>1,008,865,728</u>	<u>933,477,656</u>	<u>994,906,197</u>	<u>884,820,762</u>
Income tax expense	29	<u>74,847,945</u>	<u>86,489,074</u>	<u>74,431,652</u>	<u>86,442,076</u>
Profit for the year		<u>934,017,783</u>	<u>846,988,582</u>	<u>920,474,545</u>	<u>798,378,686</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		2,478,632	(58,552)	-	-
Gains on remeasuring available-for-sale investments	11, 29	(595,765,431)	2,503,651,963	(595,765,431)	2,503,651,963
Gain on classification from debt security held to maturity to be investment available for sale	11, 29	201,560,444	-	201,560,444	-
Income tax relating to item that will be reclassified to profit or loss	18, 29	78,840,997	(500,730,392)	78,840,997	(500,730,392)
Total items that will be reclassified subsequently to profit or loss		(312,885,358)	2,002,863,019	(315,363,990)	2,002,921,571
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial gains	21	41,443,137	-	41,443,137	-
Income tax on other comprehensive income	18, 29	(8,288,628)	-	(8,288,628)	-
Share of other comprehensive income of associates - net of tax	13	-	536,109	-	-
Total items that will not be reclassified to profit or loss		33,154,509	536,109	33,154,509	-
Other comprehensive income for the year, net of tax		(279,730,849)	2,003,399,128	(282,209,481)	2,002,921,571
Total comprehensive income for the year		654,286,934	2,850,387,710	638,265,064	2,801,300,257
Profit (loss) attributable to:					
Owners of the parent		931,280,169	846,476,564	920,474,545	798,378,686
Non-controlling interests		2,737,614	512,018	-	-
Profit for the year		934,017,783	846,988,582	920,474,545	798,378,686
Total comprehensive income attributable to:					
Owners of parent		649,725,682	2,849,511,032	638,265,064	2,801,300,257
Non-controlling interests		4,561,252	876,678	-	-
Total comprehensive income for the year		654,286,934	2,850,387,710	638,265,064	2,801,300,257
Earnings per share (in Baht)					
Basic earnings per share	30	3.20	2.91	3.17	2.75

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

I.C.C. International Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements

	Other components shareholders' equity												
	Retained earnings	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve	General reserve	Unappropriated	Translating foreign operations (in Baht)	Available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2017													
Balance at 1 January 2017	290,633,730	1,487,143,830	51,433,146	50,000,000	1,706,711,494	10,008,706,168	(328,867)	3,801,354,236	-	3,801,025,369	17,395,653,737	(16,140,010)	17,379,513,727
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the parent</i>													
Dividends	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	-	(334,228,790)
<i>Total contributions by and distributions to owners of the parent</i>													
<i>Changes in ownership interests in subsidiaries</i>													
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	14,971,858	14,971,858
Total changes in ownership interests in subsidiaries												14,971,858	14,971,858
Total transactions with owners, recorded directly in equity													(319,256,932)
Comprehensive income for the year													
Profit or loss	-	-	-	-	-	846,476,564	-	-	-	-	846,476,564	512,018	846,988,582
Other comprehensive income	-	-	-	-	-	-	(423,212)	2,002,921,571	536,109	2,003,034,468	2,003,034,468	364,660	2,003,399,128
Total comprehensive income for the year													
Transfer to general reserve	-	-	-	-	82,599,849	(82,599,849)	-	-	-	-	-	-	-
Balance at 31 December 2017	290,633,730	1,487,143,830	51,433,146	50,000,000	1,789,311,343	10,438,354,093	(752,079)	5,804,275,807	536,109	5,804,059,837	19,910,935,979	(291,474)	19,910,644,505

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I.C.C. International Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements													
	Retained earnings					Other components of equity						Total equity		
	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve	General reserve	Unappropriated	Translation financial statement	Re-measuring of investments	Gain on classification to available for sale	Share of other comprehensive income of associates	Other components of shareholders' equity		Equity attributable to owners of the parent	Non-controlling interests
Year ended 31 December 2018														
Balance at 1 January 2018	290,633,730	1,487,143,830	51,433,146	50,000,000	1,789,311,343	10,438,354,093	(752,079)	5,804,275,807	-	536,109	5,804,059,837	19,910,935,979	(291,474)	19,910,644,505
Transactions with owners, recorded directly in equity														
Dividends	-	-	-	-	-	(319,697,103)	-	-	-	-	-	(319,697,103)	-	(319,697,103)
Total contributions by and distributions to owners of the parent	-	-	-	-	-	(319,697,103)	-	-	-	-	-	(319,697,103)	-	(319,697,103)
Comprehensive income for the year														
Profit or loss	-	-	-	-	-	931,280,169	-	-	-	-	-	931,280,169	2,737,614	934,017,783
Other comprehensive income	-	-	-	-	-	33,154,509	654,994	(476,612,345)	161,248,355	-	(314,708,996)	(281,554,487)	1,823,638	(279,730,849)
Total comprehensive income for the year	-	-	-	-	-	964,434,678	654,994	(476,612,345)	161,248,355	-	(314,708,996)	649,725,682	4,561,252	654,286,934
Transfer to general reserve	-	-	-	-	79,837,869	(79,837,869)	-	-	-	-	-	-	-	-
Balance at 31 December 2018	290,633,730	1,487,143,830	51,433,146	50,000,000	1,869,149,212	11,003,253,799	(97,085)	5,327,663,462	161,248,355	536,109	5,489,350,841	20,240,964,558	4,269,778	20,245,234,336

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I.C.C. International Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements									
	Retained earnings					Other components of equity				
	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Legal reserve	General reserve	Unappropriated	Re-measuring of investments	Gain on classification to available for sale	Other components of shareholders' equity	Total equity
Year ended 31 December 2018										
Balance at 1 January 2018	290,633,730	1,487,143,830	51,433,146	50,000,000	1,789,311,343	10,334,850,683	5,804,275,807	-	5,804,275,807	19,807,648,539
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners</i>										
Dividends	-	-	-	-	-	(319,697,103)	-	-	-	(319,697,103)
Total contributions by and distributions to owners	-	-	-	-	-	(319,697,103)	-	-	-	(319,697,103)
Comprehensive income for the year										
Profit or loss	-	-	-	-	-	920,474,545	-	-	-	920,474,545
Other comprehensive income	-	-	-	-	-	33,154,509	(476,612,345)	161,248,355	(315,363,990)	(282,209,481)
Total comprehensive income for the year	-	-	-	-	-	953,629,054	(476,612,345)	161,248,355	(315,363,990)	638,265,064
Transfer to general reserve	-	-	-	-	79,837,869	(79,837,869)	-	-	-	-
Balance at 31 December 2018	290,633,730	1,487,143,830	51,433,146	50,000,000	1,869,149,212	10,888,944,765	5,327,663,462	161,248,355	5,488,911,817	20,126,216,500

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I.C.C. International Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	934,017,783	846,988,582	920,474,545	798,378,686
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	238,384,341	231,555,430	231,503,673	221,727,356
Doubtful debts expenses of other accounts receivable	6,471,654	-	6,471,654	-
(Reversal of) bad and doubtful debts expenses	(1,403,366)	(6,257,359)	959,567	(6,257,359)
Reversal of losses on inventories devaluation	(27,659,412)	(27,468,096)	(5,881,074)	(15,076,211)
(Reversal of) Decline in value of investment	(13,718,840)	26,230,487	26,815,149	112,913,123
Interest income	(24,661,601)	(20,099,529)	(26,823,389)	(22,650,748)
Dividends income	(528,011,533)	(469,655,373)	(545,351,902)	(490,574,452)
Finance costs	1,640,056	1,612,430	-	1,316
Gain on disposal of investment	(111,565,344)	(242,619,598)	(100,292,170)	(242,619,590)
Loss from losing influence in associate	5,184,265	-	-	-
Gain on disposal of assets	(33,087,223)	(86,183,935)	(33,321,662)	(82,348,925)
Loss on retirement of equipment	5,887,405	-	5,862,596	1,491,873
Share of profit of investments in associates, net of tax	(48,547,572)	(29,266,533)	-	-
Expenses for employee benefits	78,653,634	72,912,917	78,127,935	68,509,223
Tax expense	74,847,945	86,489,074	74,431,652	86,442,076
	<u>556,432,192</u>	<u>384,238,497</u>	<u>632,976,574</u>	<u>429,936,368</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	137,814,041	(357,676,029)	154,434,348	(361,901,922)
Inventories	97,464,403	288,312,562	46,419,951	253,866,199
Real estate projects under development	33,279,793	13,267,567	-	-
Other current assets	(33,620,598)	(38,738,902)	(68,841,048)	(41,952,858)
Other non-current assets	(915,363)	180,857	(3,581,068)	3,473,730
Trade accounts payable	(37,575,350)	(16,894,723)	(37,285,180)	(11,339,211)
Other payables	70,319,491	5,235,865	66,035,044	7,384,149
Employee benefits paid	(26,143,134)	(27,760,941)	(24,438,508)	(24,530,180)
Other non-current liabilities	(991,137)	(3,393,224)	(913,484)	(2,755,710)
Net cash generated from operating activities	<u>796,064,338</u>	<u>246,771,529</u>	<u>764,806,629</u>	<u>252,180,565</u>
Taxes paid	<u>(91,049,402)</u>	<u>(90,775,706)</u>	<u>(90,633,109)</u>	<u>(90,728,708)</u>
Net cash from operating activities	<u>705,014,936</u>	<u>155,995,823</u>	<u>674,173,520</u>	<u>161,451,857</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	22,260,314	21,126,663	24,422,103	23,677,881
Dividends received	528,011,533	490,574,453	545,351,902	490,574,453
Acquisition of assets	(200,527,733)	(334,813,397)	(198,433,149)	(333,254,934)
Proceeds from repayment of loans to related parties and employees	1,187,464	74,133,234	24,377,264	82,933,234
Acquisition of debt securities from related party	-	(398,691,000)	-	(398,691,000)
Acquisition of other current investment	(412,802,015)	-	(412,802,015)	-
Acquisition of other equity securities	(102,908,038)	(364,139,744)	(110,874,855)	(364,139,744)
Proceeds from sale of other equity securities	210,115,155	282,205,008	210,115,155	282,205,000
Decreased in deposit for assets	-	20,747,323	-	20,737,651
Proceeds from reduction of capital of other long-term investments	3,388,780	5,220,000	3,388,780	5,220,000
Proceeds from sale of assets	62,542,024	91,556,906	62,524,590	86,229,704
Cash paid for purchase of subsidiary	-	-	-	(7,350,716)
Acquisition of non-controlling interests	-	14,971,858	-	-
Net cash from used in investing activities	<u>111,267,484</u>	<u>(97,108,696)</u>	<u>148,069,775</u>	<u>(111,858,471)</u>
<i>Cash flows from financing activities</i>				
Interest paid	(1,639,070)	(1,538,129)	-	(1,316)
Dividends paid to owners of the Company	(319,541,945)	(334,156,243)	(319,541,945)	(334,156,243)
Decrease in bank overdrafts	-	10,000,000	-	-
Net cash used in financing activities	<u>(321,181,015)</u>	<u>(325,694,372)</u>	<u>(319,541,945)</u>	<u>(334,157,559)</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Net (decrease) increase in cash and cash equivalents, before effect of exchange rates	495,101,405	(266,807,245)	502,701,350	(284,564,173)
Effect of exchange rate changes on cash and cash equivalents	(1,828,205)	2,418,855	(383,847)	6,656
Net (decrease) increase in cash and cash equivalents	493,273,200	(264,388,390)	502,317,503	(284,557,517)
Cash and cash equivalents at beginning of period	911,101,101	1,175,489,491	875,732,812	1,160,290,329
Cash and cash equivalents at ending of period	1,404,374,301	911,101,101	1,378,050,315	875,732,812
 <i>Non-cash transactions</i>				
Increase (decrease) in fair value of available-for-sale investments	(595,765,431)	2,503,651,963	(595,765,431)	2,503,651,963
Payables of acquisition of assets	20,383,149	13,597,783	19,097,695	13,597,783

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

I.C.C. International Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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I.C.C. International Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 22 February 2019.

1 General information

I.C.C. International Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 530 Soi Sathupradit 58, Bang Phong Phang subdistrict, Yannawa district, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 1978.

The Company’s major shareholders during the financial period were Saha Pathana Inter-Holding Public Company Limited (22.5% shareholding) and I.D.F. Co., Ltd. (9.5% shareholding). Both companies were incorporated in Thailand.

The principle business of the Company is distributing consumer products.

Details of the Company’s subsidiaries as at 31 December are as follows:

Name	Type of business	Country of incorporation	Ownership interest	
			2018	2017
WBRE Co., Ltd.	Real Estate	Thai	99.9	99.9
Amis Du Monde SARL	Trading	France	81.9	81.9
Canchana International Co., Ltd.	Distributing	Cambodia	60.0	60.0
Thai Itokin Co., Ltd.	Manufacturing and distributing apparels	Thai	58.2	58.2

2 Basis of preparation of financial statements

(a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

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(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value

(c) Functional and presentation currency

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

(d) 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 these estimates.

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.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 12 Consolidation: whether the Group has de facto control over an investee

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 9 Allowance for decline in value is equal to net realisable value;

Note 12 Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;

Note 18 Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 21 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

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

I.C.C. International Public Company Limited and its subsidiaries
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For the year ended 31 December 2018

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

- Note 11 Available-for-sale;
- Note 32 Financial instruments.

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

I.C.C. International Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

I.C.C. International Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Interests in equity - accounted investees

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

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

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

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

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

I.C.C. International Public Company Limited and its subsidiaries
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(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts and provision for sales to retailers with condition.

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

(e) Inventories

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

Cost of inventories in categories of trading, consignment goods sales to retailers with condition, manufactured inventories and work-in-progress are calculated using the weighted average cost principle and for cost of inventories on real estate-condominium is calculated using the specific method. Cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

(g) Sales VAT on consignment sales of inventories

Sales VAT on consignment sales shall be recorded and payable when the goods have been delivered to retailers and sales VAT has been submitted to the Revenue Department. This sales VAT shall be recorded as current asset in the statement of financial position. The Company shall also call for VAT from retailers after the goods have been sold to customers.

I.C.C. International Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(h) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

(i) 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 measured at cost less accumulated depreciation and impairment losses.

I.C.C. International Public Company Limited and its subsidiaries
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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 property. The estimated useful lives are as follows:

Investment properties	20 - 40 years
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(j) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any 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 in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

I.C.C. International Public Company Limited and its subsidiaries
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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment except for the computer has been determined by using the Sum of Year's Digits Method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50	years
Office equipment	3 - 5	years
Furniture and fixtures	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

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

(k) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives which were trademarks and license database of customers are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licenses	10	years
Trademarks	10	years
License database of customer	10	years

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

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For the year ended 31 December 2018

(l) Leasehold

Payments made for leasehold rights are measured at cost method and amortisation is recognised in the profit or loss on straight-line basis over the periods of the leasehold agreements.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(n) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(p) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

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

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Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) 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.

(r) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Real estate development projects

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or after delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

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(s) Finance costs

Interest expense and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(u) 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 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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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. . Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(v) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares and calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(w) *Segment reporting*

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

4 *Acquisition of subsidiaries and non-controlling interests*

On 30 November 2017, the Group obtained control of Canchana International Co., Ltd., a distributor by acquiring 20% of the shares and voting interests in the company. As a result, the Group's equity interest in Canchana International Co., Ltd. increased from 40% to 60%.

Taking control of Canchana International Co., Ltd., the main distributor in the Kingdom of Cambodia with good operations. The Group expects to increase its revenue in the future.

For one month period ended 31 December 2017, Canchana International Co., Ltd. contributed revenue of Baht 4.56 million to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue would have been Baht 42.68 million for the year ended 31 December 2017. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

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The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed

	Fair Value <i>(in thousand baht)</i>
Cash and cash equivalents	12,409
Trade accounts receivable	2,725
Inventories	23,931
Other current assets	1,910
Property, plant and equipment.	4,107
Intangible assets	36
Trade accounts payable	(6,646)
Current liability	(1,042)
Carrying amounts of net identifiable net assets	37,430
<i>Less : Non-controlling interests</i>	<i>(14,972)</i>
Recognised value of net asset acquired	22,458
Gain on bargain purchases	(135)
Net cash flows	22,323

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associates are described in notes 12 and 13. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
Key management personnel	Thai	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Saha Pathana Inter-Holding Plc.	Thai	10.04	Major shareholders, 22.50% shareholding, some common shareholders and directors

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Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
I.D.F. Co., Ltd.	Thai	9.00	Major shareholders, 9.50% shareholding, some common shareholders and directors
Saha Pathanapibul Plc.	Thai	10.19	8.50% shareholding, some common shareholders and directors
WBRE Co., Ltd.	Thai	99.99	Subsidiary, some common directors
Amis Du Monde SARL	France	81.92	Subsidiary
Canchana International Co., Ltd.	Cambodia	60.00	Subsidiary, some common directors
Thai Itokin Co., Ltd.	Thai	58.16	Subsidiary, some common directors
Nanan Cambo Solution Co., Ltd.	Cambodia	49.00	Associate, some common directors
Boon Capital Holding Co., Ltd.	Thai	32.00	Associate
International Leather Fashion Co., Ltd.	Thai	28.00	Associate, Some common directors are close member of the family of the Company's management
Thai Secom Security Co., Ltd.	Thai	25.50	Associate
Issara United Co., Ltd.	Thai	25.00	Associate, some common directors
Worldclass Rent a Car Co., Ltd.	Thai	25.00	Associate
Issara United Development Co., Ltd.	Thai	25.00	Associate, some common directors
Tiger Distribution & Logistics Co., Ltd.	Thai	19.90	Some common directors
Sahapat Real Estate Co., Ltd.	Thai	19.90	Some common directors
O.C.C. Plc.	Thai	19.73	0.60% shareholding, some common directors
SSDC (Tigertex) Co., Ltd.	Thai	19.58	Some common directors
International Laboratories Co., Ltd.	Thai	19.56	1.10% shareholding, some common directors
DF Inter Co., Ltd.	Thai	19.00	Some common directors
Thai Cubic Technology Co., Ltd.	Thai	19.00	Some common directors
H & B Intertex Co., Ltd.	Thai	19.00	Some common directors
International Commercial Coordination (Hong Kong) Ltd.	Hong Kong	19.00	Some common directors
Pan Asia Footwear Plc.	Thai	18.91	Some common directors
United Utilities Co., Ltd.	Thai	18.56	Some common directors
Top Trend Manufacturing Co., Ltd.	Thai	18.00	Some common directors
Saha Nam Textile Co., Ltd.	Thai	18.00	Some common directors are close member of the family of the Company's management

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Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
SHOP Global (Thailand) Co., Ltd.	Thai	17.42	Associate, some common directors
Bangkok Tokyo Socks Co., Ltd.	Thai	17.31	Some common directors
Pan Land Co., Ltd.	Thai	16.67	Some common directors
BNC Real Estate Co., Ltd.	Thai	16.67	Some common directors
Better Way (Thailand) Co., Ltd.	Thai	16.48	Some common directors
Erawan Textile Co., Ltd.	Thai	16.41	Some common directors
Thai Gunze Co., Ltd.	Thai	16.00	Some common directors
Shiseido Professional (Thailand) Co., Ltd.	Thai	15.00	Some common directors
Tsuruha (Thailand) Co., Ltd.	Thai	15.00	Some common directors
S & J International Enterprises Plc.	Thai	14.61	Some common directors
K. Commercial and Construction Co., Ltd.	Thai	14.50	Some common directors
Raja Uchino Co., Ltd.	Thai	13.59	Some common directors
Thai Takeda Lace Co., Ltd.	Thai	12.76	Some common directors
Champ Ace Co., Ltd.	Thai	12.50	Some common directors
T.U.C. Elastic Co., Ltd.	Thai	12.00	Some common directors
Treasure Hill Co., Ltd.	Thai	12.00	Some common directors
Morgan De Toi (Thailand) Co., Ltd.	Thai	12.00	Some common directors are close member of the family of the Company's management
Lion Corporation (Thailand) Co., Ltd.	Thai	12.00	Some common directors are close member of the family of the Company's management
Thai Sports Garment Co., Ltd.	Thai	12.00	Some common directors
Saha Tokyu Corporation Co., Ltd.	Thai	12.00	Some common directors
Thai Shikibo Co., Ltd.	Thai	11.74	Some common directors
Sahacogen (Chonburi) Plc.	Thai	11.30	Some common directors
Thanulux Plc.	Thai	11.09	3.40% shareholding, some common directors
Kewpie (Thailand) Co., Ltd.	Thai	10.77	Some common directors are close member of the family of the Company's management
Waseda Education (Thailand) Co., Ltd.	Thai	10.71	Some common directors
Textile Prestige Plc.	Thai	10.43	Some common directors
Far East DDB Plc.	Thai	10.29	Some common directors
Kai I.T. Service Co., Ltd.	Thai	10.00	Indirect holding by Vitayasithi Co., Ltd.
Thai Takaya Co., Ltd.	Thai	10.00	Some common directors are close member of the family of the Company's management
Total Way Image Co., Ltd.	Thai	10.00	Some common directors are close member of the family of the Company's management

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Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
E.P.F. Co., Ltd.	Thai	10.00	Some common directors are close member of the family of the Company's management
K.T.Y. Industry Co., Ltd.	Thai	9.93	Some common directors
Dairy Thai Co., Ltd.	Thai	9.13	Some common directors are close member of the family of the Company's management
First United Industry Co., Ltd.	Thai	9.12	Some common directors
Wien International Co., Ltd.	Thai	9.00	Some common directors
Osoth Inter Laboratories Co., Ltd.	Thai	9.00	Some common directors
Saha Lawson Co., Ltd.	Thai	9.00	Some common directors are close member of the family of the Company's management
Transcosmos (Thailand) Co., Ltd.	Thai	9.00	Some common directors
Sun 108 Co., Ltd.	Thai	8.25	Some common directors
Janome (Thailand) Co., Ltd.	Thai	8.00	Some common directors
Thai Bunka Fashion Co., Ltd.	Thai	8.00	Some common directors are close member of the family of the Company's management
Thai Staflex Co., Ltd.	Thai	8.00	Some common directors
Molten Asia Polymer Products Co., Ltd.	Thai	7.80	Some common directors are close member of the family of the Company's management
Seino Saha Logistic Co., Ltd.	Thai	7.75	Some common directors are close member of the family of the Company's management
Sahachol Food Supplies Co., Ltd.	Thai	6.90	Some common directors
SRP Nanasai Co., Ltd.	Thai	6.33	Some common directors
Molten (Thailand) Co., Ltd.	Thai	6.00	Some common directors are close member of the family of the Company's management
Sahapat Properties Co., Ltd.	Thai	5.75	Some common directors
Pattaya Manufacturing Co., Ltd.	Thai	5.33	Some common directors
People's Garment Plc.	Thai	5.25	Some common directors
Thai Wacoal Plc.	Thai	5.09	3.80% shareholding, some common directors
Thai Monster Co., Ltd.	Thai	5.00	Some common directors are close member of the family of the Company's management

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Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
Saha Komehyo Co., Ltd. ⁽⁷⁾	Thai	5.00	Some common directors are close member of the family of the Company's management
BNC Maesot Co., Ltd.	Thai	5.00	Some common directors
Thai Hoover Industry Co., Ltd.	Thai	4.75	Some common directors
Thai Arusu Co., Ltd.	Thai	4.17	Some common directors
The Mall Ratchasima Co., Ltd.	Thai	4.00	Some common directors are close member of the family of the Company's management
Ratchasima Shopping Complex Co., Ltd.	Thai	4.00	Some common directors are close member of the family of the Company's management
Pens Marketing and Distribution Co., Ltd.	Thai	3.50	Some common directors
Thai Naxis Co., Ltd.	Thai	3.38	Some common directors
Thai President Foods Plc.	Thai	1.25	Some common directors are close member of the family of the Company's management
Newcity (Bangkok) Plc.	Thai	0.79	Some common directors are close member of the family of the Company's management
Cake & Bakery Co., Ltd.	Thai	-	Some common directors
Can Co., Ltd.	Thai	-	Some common directors
Koraj Watana Co., Ltd.	Thai	-	Some common directors
Sun and Sand Co., Ltd.	Thai	-	Some common directors
Paknumpo Wattana Co., Ltd.	Thai	-	Some common directors
Maharachapreuk Co., Ltd.	Thai	-	Some common directors
Vira Law Office Co., Ltd.	Thai	-	Some common directors
Sukhatasana Co., Ltd.	Thai	-	Some common directors
Saha Asia Pacific Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
Intanin Chiangmai Co., Ltd.	Thai	-	Some common directors
Inter South Co., Ltd.	Thai	-	Some common directors
Eastern I.C.C. Co., Ltd.	Thai	-	Some common directors
Lion Service Co., Ltd.	Thai	-	Indirect holding by Lion Corporation (Thailand) Co., Ltd.
Daiohs (Thailand) Co., Ltd.	Thai	-	Some common directors
S.T. (Thailand) Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
International Commercial Coordination Co., Ltd.	Thai	-	Some common directors

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Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
Silver Rain Co., Ltd.	Thai	-	Some common directors
SSJ PTE. LTD.	Singapore	-	Indirect holding by Vitayasithi Co., Ltd.
Vitayasithi Co., Ltd.	Thai	-	Some common directors hold shares in the Company
International Curity Footwear Co., Ltd.	Thai	-	Some common directors
Advantage Footwear Co., Ltd.	Thai	-	Some common directors
Manorom footwear Co., Ltd. ⁽¹⁾	Thai	-	Some shareholders are close member of the family of the Company's management
T-way Co., Ltd. ⁽²⁾	Thai	-	Some common directors
Train Time Test Co., Ltd. ⁽³⁾	Thai	-	Some common directors
Sriracha Aviation Co., Ltd. ⁽⁴⁾	Thai	-	Some common directors
General Glass Co., Ltd. ⁽⁵⁾	Thai	-	Some common directors
Laem Cha-Bang Warehouse Co., Ltd. ⁽⁶⁾	Thai	-	Some common directors
Otsuka Saha Asia Research Co., Ltd. ⁽⁸⁾	Thai	-	Some common directors are close member of the family of the Company's management

- (1) Manorom footwear Co., Ltd. had been related since quarter 3, 2017.
(2) T-Way Co., Ltd. had been related since quarter 1, 2018.
(3) Train Time Test Co., Ltd. had been related since quarter 1, 2018.
(4) Sriracha Aviation Co., Ltd. had not been related since quarter 2, 2018.
(5) General Glass Co., Ltd. had been liquidated and dissolved on quarter 3, 2018.
(6) Laem Cha-Bang Warehouse Co., Ltd. had not been related since quarter 3, 2018.
(7) Saha Komehyo Co., Ltd. had been related since quarter 4, 2018.
(8) Otsuka Saha Asia Research Co., Ltd. had been liquidated and dissolved on quarter 4, 2018.

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

Transactions	Pricing policies
Sales of goods	Market price or contractually agreed prices
Interest income	At the rates of 1.50% - 6.03% per annum
Dividends income	According to the declaration
Other income	Market price or contractually agreed prices
Purchase of goods or receiving of services	Contractually agreed prices
Purchase/sale of assets	Contractually agreed prices
Distribution costs	Market price or contractually agreed prices
Other expenses	Market price or contractually agreed prices

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	24,372	827
Other income	-	-	7,499	6,373
Purchases of goods	-	-	105,815	120,560
Distribution costs	-	-	574	1,100
Other expenses	-	-	172	37
Associates				
Sales of goods	16,810	36,787	16,137	36,787
Dividend income	17,340	20,919	17,340	20,919
Other income	7,897	11,130	7,897	11,130
Purchases of goods	132,555	176,459	132,555	176,459
Distribution costs	587	463	587	463
Other expenses	3,148	2,631	2,880	2,419
Other related parties				
Sales of goods	329,581	382,408	317,210	376,114
Dividend income	483,382	425,896	483,382	425,896
Other income	163,670	110,085	163,561	110,072
Sales of equity instrument	19,315	-	19,315	-
Purchases of goods	6,184,324	6,214,115	6,175,447	6,203,040
Purchase of assets	115,227	127,764	115,172	127,764
Distribution costs	345,509	399,751	345,504	399,574
Other expenses	53,903	42,613	48,646	41,777
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	79,676	80,958	75,626	78,211
Long-term benefits	6,666	6,726	6,527	6,596
Total key management personnel compensation	86,342	87,684	82,153	84,807

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	11,469	15,098
Associates	2,684	996	2,684	996
Other related parties	110,803	109,770	109,676	109,701
Total	113,487	110,766	123,829	125,795
<i>Less allowance for doubtful accounts</i>	<i>(8,177)</i>	<i>(6,555)</i>	<i>(8,177)</i>	<i>(6,907)</i>
Net	105,310	104,211	115,652	118,888

<i>Other accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	154	112
Associates	2,024	162	2,024	162
Other related parties	14,312	23,612	14,312	23,612
Total	16,336	23,774	16,490	23,886

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	1.50 - 1.52	1.50	-	-	142,510	165,700
Associates	6.03	6.03 - 6.27	60,000	-	60,000	-
Other related parties	3.98 - 4.38	4.37	30,000	30,000	30,000	30,000
Total short-term loans			90,000	30,000	232,510	195,700
Long-term loan						
Associates	-	6.03 - 6.27	-	60,000	-	60,000
			-	60,000	-	60,000
Summary loans to related parties						
Short-term loans			90,000	30,000	232,510	195,700
Long-term loan			-	60,000	-	60,000
Total loans to related parties			90,000	90,000	232,510	255,700

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Movements during the years ended 31 December of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	165,700	174,500
Increase	-	-	9,897	1,000
Allowance for doubtful accounts	-	-	(141)	-
Decrease	-	-	(32,946)	(9,800)
At 31 December	-	-	142,510	165,700
Associates				
At 1 January	-	75,000	-	75,000
Increase	60,000	-	60,000	-
Decrease	-	(75,000)	-	(75,000)
At 31 December	60,000	-	60,000	-
Other related parties				
At 1 January	30,000	90,000	30,000	90,000
Decrease	-	(60,000)	-	(60,000)
At 31 December	30,000	30,000	30,000	30,000
Total short-term loans to related parties				
At 1 January	30,000	165,000	195,700	339,500
Increase	60,000	-	69,897	1,000
Allowance for doubtful accounts	-	-	(141)	-
Decrease	-	(135,000)	(32,946)	(144,800)
At 31 December	90,000	30,000	232,510	195,700
Long-term loan				
At 1 January	60,000	-	60,000	-
Increase	-	60,000	-	60,000
Decrease	(60,000)	-	(60,000)	-
At 31 December	-	60,000	-	60,000

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<i>Trade accounts payable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	10,532	10,621
Associates	21,323	27,490	21,287	27,467
Other related parties	1,097,494	1,131,124	1,096,238	1,129,442
Total	1,118,817	1,158,614	1,128,057	1,167,530

<i>Other accounts payable from related parties</i>				
Subsidiaries	-	-	82	49
Associates	900	779	900	779
Other related parties	114,074	80,639	114,074	80,639
Total	114,974	81,418	115,056	81,467

<i>Short-term borrowing from related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Short-term borrowing</i>						
Related party	4.00	4.00	10,000	10,000	-	-

Movements during the years ended 31 December 2018 and 2017 of short-term borrowing from related party were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other related party				
At 1 January and 31 December	10,000	10,000	-	-

Other commitments

	Consolidated and separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
Guarantees for related parties	334,970	330,080

Rental area and related services agreements

The Company entered into rental area and related services agreements with several related parties companies. The company paid fees approximately at Baht 4.15 million per month, agreements had periods of 1-27 year and will be expired in 2027.

I.C.C. International Public Company Limited and its subsidiaries
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6 Cash and cash equivalent

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	3,170	4,024	2,964	3,906
Cash at banks-current accounts	118,048	131,194	107,902	108,752
Cash at banks-saving accounts	242,603	117,000	228,027	104,192
Highly liquid short-term investment	1,034,641	655,703	1,034,500	655,703
Others	5,912	3,180	4,657	3,180
Cash and cash equivalents in the statement of financial position and statement of cash flows	1,404,374	911,101	1,378,050	875,733

As at 31 December 2018, The Company has fixed deposit receipt with maturity period less than 3 months issued by financial institutions in amounting to Baht 1,035 million with interest rates between 1.1% -1.4% per annum (2017: 0.9% - 1.5% per annum), which was recorded as highly liquid short-term investments.

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,389,576	897,913	1,377,828	875,353
America (USD)	10,448	12,595	-	-
Euro (EUR)	4,128	444	-	231
Others	222	149	222	149
Total	1,404,374	911,101	1,378,050	875,733

I.C.C. International Public Company Limited and its subsidiaries
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7 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	113,487	110,766	123,829	125,795
Other parties		1,693,416	1,831,143	1,657,883	1,810,352
Total		1,806,903	1,941,909	1,781,712	1,936,147
<i>Less</i> allowance for doubtful accounts		(22,242)	(20,838)	(21,687)	(20,728)
Net		1,784,661	1,921,071	1,760,025	1,915,419
Bad and doubtful debts expense for the year		2,883	12,663	2,439	12,551
Reversal of bad debt for the year		(1,479)	(18,809)	(1,479)	(18,809)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	78,564	92,595	82,721	99,038
Overdue:				
Less than 1 months	15,387	9,680	15,387	9,680
1-3 months	3,495	314	3,495	314
4-12 months	7,335	1,849	7,335	1,849
Over 12 months	8,706	6,328	14,891	14,914
	113,487	110,766	123,829	125,795
<i>Less</i> allowance for doubtful accounts	(8,177)	(6,555)	(8,177)	(6,907)
	105,310	104,211	115,652	118,888
Other parties				
Within credit terms	1,592,442	1,713,962	1,560,325	1,693,771
Overdue:				
Less than 1 months	65,499	77,658	65,499	77,658
1-3 months	20,228	17,674	17,739	17,668
4-12 months	10,654	13,475	10,282	13,473
Over 12 months	4,593	8,374	4,038	7,782
	1,693,416	1,831,143	1,657,883	1,810,352
<i>Less</i> allowance for doubtful accounts	(14,065)	(14,283)	(13,510)	(13,821)
	1,679,351	1,816,860	1,644,373	1,796,531
Net	1,784,661	1,921,071	1,760,025	1,915,419

The normal credit terms granted by the Company range from 30 days to 90 days.

The Group's and the Company's trade accounts receivable as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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8 Loans

	Note	Interest rate		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017	2018	2017
		(% per annum)		(in thousand Baht)			
Short-term loans							
Related parties	5	1.50 - 6.27	1.50 - 4.38	90,000	30,000	232,510	195,700
Other party		-	-	-	69,979	-	69,979
Total				90,000	99,979	232,510	265,679
Less allowance for doubtful accounts				-	(69,979)	-	(69,979)
Net				90,000	30,000	232,510	195,700
Long-term loan							
Related party	5	-	6.03 - 6.27	-	60,000	-	60,000
Net				-	60,000	-	60,000

The Group's and the Company's short-term loans as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

The Company had loans to Siam Zokei Co., Ltd. ("Siam Zokei") in 2008, totaling Baht 150 million with interest rate at 7% per annum. This loan was guaranteed by a local company with the original title deeds owned by Siam Zokei Co., Ltd. and by the guaranteed company totaling two plots of land in Phuket province, with total area of 17 rai, 1 ngarn and 79.7 square wah, as its collateral. However, Siam Zokei Co., Ltd. could not repay this loan to the Company. The Company had pursued litigation against Siam Zokei Co., Ltd. Moreover, the Company filed a petition to the Court which approved to seize the properties of Siam Zokei Co., Ltd.

During 2010-2012, these properties had been sold at bidding price total approximately Baht 168.70 million and are awaiting for payment in accordance with the Court process. There were other creditors of Siam Zokei Co., Ltd. asking for distribution of these Siam Zokei's properties in this litigation case. However, if the money gained from the sales by auction is not enough for debt payment, the Company has the right to further file the law suit to the above mentioned guarantor.

During the year 2013, the Company asked the Court for distribution of Siam Zokei's properties and was on the fact finding process. Then during the year 2014, the Court has finalized for distribution and the Company received money from distribution with the total amount of Baht 80.02 million. Moreover, there remain properties that had been sold at bidding price and are waiting for payment in accordance with the Court process and the Court execution officer. However, the remaining outstanding balance of Baht 69.98 million was completely set up allowance of doubtful.

The board of directors meeting of the Company, held on 9 November 2018, approved to write off the bad debt from Siam Zokei Co., Ltd. in amounting of Baht 69.98 million due to Central Bankruptcy Court gave judgment for Siam Zokei Co., Ltd. to be bankrupt on 7 February 2018.

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Finished goods	1,208,662	1,242,568	1,219,142	1,221,629
Consignment goods	2,123,684	2,163,163	2,122,800	2,161,916
Work in process	2,829	3,790	-	-
Raw material	30,870	49,172	-	-
Goods in transit	70,845	75,662	70,845	75,661
Less allowance for decline in value	(93,077)	(120,737)	(59,721)	(65,602)
	3,343,813	3,413,618	3,353,066	3,393,604
Real estate awaiting for sale - Condominium	13,175	13,175	13,175	13,175
Total	3,356,988	3,426,793	3,366,241	3,406,779
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,866,535	7,890,312	7,601,583	7,717,343
- Write-down to net realisable value	-	24,819	-	24,819
- Reversal of write-down	(27,659)	(52,205)	(5,881)	(39,896)
Net	7,838,876	7,862,926	7,595,702	7,702,266

10 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Land and development costs of projects for sale	11,161	39,479	-	-
Show houses	4,301	4,424	-	-
Construction in progress	109,018	113,857	-	-
Total	124,480	157,760	-	-

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11 Available for sale investments

	Consolidated and Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
<i>Available-for-sale investments</i>		
Equity securities available for sale	<u>9,091,796</u>	<u>9,068,042</u>

Movements during the years of marketable equity securities for the year ended 31 December were as follows:

	<i>Note</i>	Consolidated and separate financial statements	
		2018	2017
		<i>(in thousand Baht)</i>	
<i>Available-for-sale investments</i>			
At 1 January		9,068,042	6,586,035
Acquisitions/additional investment		30,000	-
Cost of reclassified investment	<i>14</i>	398,691	-
Gain on classification from debt security held to maturity to be investment available for sale	<i>14</i>	201,560	-
Disposal		(10,732)	(21,645)
Valuation adjustment		<u>(595,765)</u>	<u>2,503,652</u>
At 31 December		<u>9,091,796</u>	<u>9,068,042</u>

The Company's available-for-sale investments as at 31 December 2018 and 2017, all investments are publicly listed which is listed on the Stock Exchange of Thailand.

I.C.C. International Public Company Limited and its subsidiaries
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12 Investments in subsidiaries

	<i>Note</i>	Consolidated and separate financial statements	
		2018	2017
		<i>(in thousand Baht)</i>	
At 1 January		63,825	55,791
Acquisitions/additional investment	4	7,967	7,351
Reclassification of investment	13	-	6,475
Allowance for impairment increase		(24,539)	(5,792)
At 31 December		47,253	63,825

Additional investment

On 13 September 2018, the Company made an additional investment in Amis Do Monde SARL of Baht 7.97 million (21,004 shares, Baht 379.30 per share) and already paid all amount, the Company's ownership remain the same. Since Amis Do Monde SARL has plan to dissolve. As a result, the Company had set up an allowance for impairment for all additional investment.

On 30 November 2017, the Company made an additional investment in Canchana International Co., Ltd., a distributor which was a Group's associate company, by investing 200 shares at USD 1,021 per share (equivalent to Baht 36,754). This result increase in the shareholding from 40% to 60%. The Company make a fully paid-up share amounting to Baht 7,350,720.

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Investments in subsidiaries as at 31 December 2018 and 2017 and dividend income from those investments for the year then ended were as follows:

Subsidiaries	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		<i>(in thousand Baht)</i>											
WBRE Co., Ltd.	Property Development	99.9	99.9	50,000	50,000	49,999	49,999	(16,572)	-	33,427	49,999	-	-
Amis Du Monde SARL	Trading	81.9	81.9	53,785	52,785	48,924	40,957	(48,924)	(40,957)	-	-	-	-
Canchana International Co., Ltd.	Distributing	60.0	60.0	16,300	16,300	13,826	13,826	-	-	13,826	13,826	-	-
Thai Itokin Co., Ltd.	Manufacturing and distributing apparels	58.2	58.2	111,250	111,250	80,101	80,101	(80,101)	(80,101)	-	-	-	-
Total				192,850	184,883	145,597	(121,058)	47,253	63,825				

All subsidiaries were incorporated in Thailand, except Amis Du Monde SARL which was incorporated in France and Canchana International Co., Ltd. which was incorporated in Kingdom of Cambodia.

Amis Du Monde SARL has plan to dissolve. In the third quarter of 2018, had increased in share capital in the amounting of Baht 8 million. As a result, the Company had set up an allowance for impairment full amount.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

I.C.C. International Public Company Limited and its subsidiaries
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13 Investments in associates

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Associates					
At 1 January		826,906	695,811	635,736	585,117
Share of net profits of associates		48,548	28,730	-	-
Share of other comprehensive income of associates - net of tax		-	536	-	-
Acquisitions/additional investments		18,018	137,985	18,018	137,985
Disposal		(18,018)	-	(18,018)	-
Dividend income		(17,340)	(20,920)	-	-
Decrease issued share capital		-	-	(147,420)	-
Reclassification of investment	12	(15,536)	(14,631)	(30,836)	(6,475)
Loss from losing control		(5,185)	-	-	-
Allowance for impairment		(184)	-	(184)	(80,891)
Reversal allowance for impairment		-	-	136,147	-
Currency transaction differences		(44)	(605)	-	-
At 31 December		837,165	826,906	593,443	635,736

Capital decrease of Associates

On 18 September 2018, SHOP Global (Thailand) Co., Ltd. decreased its share capital in the amount of Baht 630.00 million to Baht 138.60 million by decreasing par value of Baht 100 per share to Baht 22 per share that the Company hold ordinary share of 1.89 million shares, amounting to Baht 189.00 million, at 30% shareholding. As a result, loss from decrease of share capital was in amount of Baht 147.42 million. As at 31 December 2017, the Company has provided an allowance for impairment in the amount of Baht 146.89 million and additionally provided an allowance for impairment in the amount of Baht 11.27 million to profit or loss during the year ended 31 December 2018. However, the Company netted the decrease of share capital to its allowance for impairment.

Approval for additional investment in associated

At the board of director meeting of the Company held on 28 September 2018, the directors approved the acquisition of an additional ordinary share of SHOP Global (Thailand) Co., Ltd. for 12.86 %, amounting to Baht 18.00 million. The Company made an additional investment in SHOP Global (Thailand) Co., Ltd. on 1 October 2018, as a result, the Company's ownership increased from 30.00% to 42.86%.

Approval of a disposal investment of associated

At the board of director meeting of the Company held on 12 October 2018, the directors approved to dispose the additional of the ordinary shares for 12.86 %, amounting to Baht 18.00 million of SHOP Global (Thailand) Co., Ltd. (0.81 million shares, Baht 22 per share). The Company dispose the investment in SHOP Global (Thailand) Co., Ltd. on 26 October 2018, as a result, the Company's ownership decreased from 42.86% to 30.00%.

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On 26 December 2018, SHOP Global (Thailand) Co., Ltd. increased share capital in the amount of Baht 100.10 million (4.55 million shares, Baht 22 per share), from share capital of Baht 138.60 million to Baht 238.70 million. The Company disclaimed a right to acquire those shares, this result the shareholding interest decreased from 30.00% to 17.42%, which lead to influence loss this associate company. Therefore, the Company reclassified the investment in associate company to other long-term investment. The Company didn't use equity method to record the investment in consolidated financial statements since 26 December 2018. The investment using equity method was in the amount of Baht 20.72 million on that date. The Company measured the fair value of the remaining investment in SHOP Global (Thailand) Co., Ltd. at the date of influence lost in the amount of Baht 15.54 million. The Company recognized the loss for losing influence in amounting of Baht 5.18 million in the consolidated statement of comprehensive income.

Acquisitions/additional investments

On 24 February 2017, the Company made an additional investment in Issara United Co., Ltd. of Baht 22.00 million (0.550 million shares, Baht 100 per share) which a such associate company called for additional paid-up of 40% of authorised share capital, bringing the Company's ownership remain the same.

On 28 March 2017, the Company made an investment in Issara United Development Co., Ltd. of Baht 16.88 million (0.675 million shares, Baht 100 per share) which a such associate company called for the second additional paid-up of 25% of authorised share capital, bringing the Company's ownership remain the same.

On 29 May 2017, the Company made an additional investment in Issara United Co., Ltd. of Baht 33.00 million (0.550 million shares, Baht 100 per share) which such associate company called for additional paid-up of the all remaining amount of 60% authorised share capital, bringing the Company's ownership remain the same.

On 20 July 2017, the Company made an additional investment in Issara United Development Co., Ltd. of Baht 16.88 million (0.675 million shares, Baht 100 per share) which such associate company called for third additional paid-up of 25% of authorised share capital, bringing the Company's ownership remain the same.

On 27 October 2017, the Company made an additional investment in Shop Global (Thailand) Co., Ltd. of Baht 9.00 million (0.09 million shares, Baht 100 per share) which such associate company called for additional paid-up of authorised share capital, bringing the Company's ownership remain the same.

On 7 December 2017, the Company made an additional investment in Issara United Development Co., Ltd. of Baht 16.88 million (0.675 million shares, Baht 100 per share) which such associate company called for final additional paid-up of authorised share capital, bringing the Company's ownership remain the same.

On 18 December 2017, the Company made an additional investment in Boon Capital Holding Co., Ltd. of Baht 23.36 million (2.336 million shares, Baht 10 per share) which such associate company called for additional paid-up of authorised share capital, bringing the Company's ownership remain the same.

Reclassification to subsidiary

On 30 November 2017, the Company made an additional investment in 20% of Canchana International Co., Ltd increasing the Group's interest to 60%. Canchana International Co., Ltd. thereby ceased to be an associated company and became a subsidiary. Details of the acquisition are given in note 4.

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Investments in associates as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows;

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Allowance for impairment		At Cost - Net		Equity		Dividend income	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Associates																
Nanan Cambo Solution Co., Ltd.	Investing in property	Cambodia	49.00	49.00	12,960	12,960	6,475	6,475	(184)	-	6,291	6,475	6,109	6,289	-	-
Boon Capital Holding Co., Ltd.	Investment	Thai	32.00	32.00	343,000	343,000	109,760	109,760	-	-	109,760	109,760	110,101	109,777	-	-
SHOP Global (Thailand) Co., Ltd.	TV Shopping	Thai	-	30.00	-	630,000	-	189,000	-	(146,891)	-	42,109	-	42,111	-	-
International Leather Fashion Co., Ltd.	Leather shoes	Thai	28.00	28.00	50,000	50,000	21,728	21,728	-	-	21,728	21,728	40,140	40,979	1,050	1,400
Thai Secom Security Co., Ltd.	Sales and lender of burglar alarm systems and securities service provider	Thai	25.50	25.50	378,934	378,934	196,983	196,983	-	-	196,983	196,983	244,973	232,933	11,110	18,522
Issara United Co., Ltd.	Property Development	Thai	25.00	25.00	300,000	300,000	74,999	74,999	-	-	74,999	74,999	204,034	199,445	-	998
Worldclass Rent a Car Co., Ltd.	Rent car	Thai	25.00	25.00	380,000	380,000	93,682	93,682	-	-	93,682	93,682	122,870	112,939	5,180	-
Issara United Development Co., Ltd.	Hotel	Thai	25.00	25.00	360,000	360,000	90,000	90,000	-	-	90,000	90,000	108,938	82,433	-	-
Net					593,627	782,627	90,000	593,443	(184)	(146,891)	593,443	635,736	837,165	826,906	17,340	20,920

None of the Group's associates are publicly listed and consequently do not have published price quotations.

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Immaterial associates

The Group also has interest in a number of individually immaterial associates.

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

	Immaterial Associates	
	2018	2017
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associates	837,165	826,906
Group's share of:		
- Profit from continuing operations	48,548	28,731
- Other comprehensive income	-	536
Group's share of profit from continuing operations	<u>48,548</u>	<u>29,267</u>

14 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Other long-term investments</i>				
Other non-marketable equity securities	2,423,280	2,282,452	2,435,580	2,276,152
Other debt securities held to maturity	20,000	418,691	20,000	418,691
Total	<u>2,443,280</u>	<u>2,701,143</u>	<u>2,455,580</u>	<u>2,694,843</u>
Less allowance for impairment	(586,859)	(440,086)	(583,859)	(434,875)
Net	<u>1,856,421</u>	<u>2,261,057</u>	<u>1,871,721</u>	<u>2,259,968</u>

Reclassification to associates

On 22 June 2017, the Company invested in convertible bonds issued by Saha Pathana Inter-Holding Plc. in proportion to its equity in Saha Pathana Inter-Holding Plc. of 0.398 million units at Baht 1,000 per unit, in the totaling amount of Baht 398.69 million with due to maturity in 2024.

On 15 June 2018, the Board of directors approved to exercise the conversion right in convertible bonds issued by Saha Pathana Inter-Holding Plc. with a conversion ratio 1 to 22.22 ordinary shares and a conversion price at 45 Baht per share. The Company had 8.86 millions ordinary shares from the conversion, using market price of ordinary shares on conversion date at Baht 67.75 per share in the total amount of Baht 600.25 million. The difference from conversion amounting to Baht 201.56 million, recorded in other comprehensive income as to the classification to investment available for sale.

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15 Investment properties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	1,263,338	1,201,794	1,352,744	1,291,200
Additions	-	55,538	-	55,538
Transfers from Property, plant and equipment	230	7,758	230	7,758
Disposals	(35,583)	(1,752)	(35,583)	(1,752)
At 31 December	<u>1,227,985</u>	<u>1,263,338</u>	<u>1,317,391</u>	<u>1,352,744</u>
Depreciation				
At 1 January	(120,831)	(111,623)	(141,953)	(131,432)
Depreciation charge for the year	(7,481)	(9,208)	(8,794)	(10,521)
Disposals	16,084	-	16,084	-
At 31 December	<u>(112,228)</u>	<u>(120,831)</u>	<u>(134,663)</u>	<u>(141,953)</u>
Impairment losses				
At 1 January and 31 December	<u>(110,740)</u>	<u>(110,740)</u>	<u>(110,740)</u>	<u>(110,740)</u>
Net book value				
At 1 January	<u>1,031,767</u>	<u>979,431</u>	<u>1,100,051</u>	<u>1,049,028</u>
At 31 December	<u>1,005,017</u>	<u>1,031,767</u>	<u>1,071,988</u>	<u>1,100,051</u>

As at 31 December 2018 and 2017, Investment properties were revalued by UK Valuation and Agency Co., Ltd. which is the independent valuer, at open market values on an existing use basis. The appraised value was Baht 2,257 million (2017: Baht 2,257 million).

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on regular basis.

The fair value measurement for investment property of Baht 2,257 million have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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Valuation technique and significant unobservable inputs

The valuation technique used in measuring the fair value of investment property by independent valuers were market comparison approach (based on multiples and prices from market transaction involving the sale of comparable assets) and replacement cost approach. For fair value of land, using Market comparison approach and for building and improvement which were specialised of alternative use and asset modifications building and improvement, using replacement cost.

An entity's current use of an asset is generally its highest and best use, which is physically possible takes into account the physical characteristics, location of a property of the asset that market participants would take into account when pricing the asset.

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16 Property, plant and equipment

<i>Cost</i>	Consolidated financial statements							Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation		
At 1 January 2017	1,964,809	803,150	1,128,179	1,097,447	80,876	40,458	5,114,919	
Additions	2,404	21,953	95,254	69,606	-	94,475	283,692	
Acquisitions through business combinations	-	7,452	584	390	564	-	8,990	
Transfers	22,004	13,434	10,127	38,174	187	(94,864)	(10,938)	
Disposals	(860)	(7,701)	(17,281)	(7,504)	(11,226)	-	(44,572)	
At 31 December 2017 and 1 January 2018	1,988,357	838,288	1,216,863	1,198,113	70,401	40,069	5,352,091	
Additions	-	2,998	73,232	43,267	-	97,322	216,819	
Transfers	-	3,907	2,874	27,194	-	(37,729)	(3,754)	
Disposals	(240)	(42,733)	(13,272)	(119,561)	(10,592)	-	(186,398)	
At 31 December 2018	1,988,117	802,460	1,279,697	1,149,013	59,809	99,662	5,378,758	

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	Consolidated financial statements						Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
Depreciation							
At 1 January 2017	-	(589,087)	(793,419)	(861,431)	(60,638)	-	(2,304,575)
Depreciation charge for the year	-	(15,072)	(99,950)	(85,057)	(9,916)	-	(209,995)
Acquisitions through business combinations	-	(3,344)	(347)	(201)	(272)	-	(4,164)
Disposals	-	7,701	16,303	5,867	10,943	-	40,814
At 31 December 2017 and 1 January 2018	-	(599,802)	(877,413)	(940,822)	(59,883)	-	(2,477,920)
Depreciation charge for the year	-	(17,961)	(113,023)	(86,896)	(4,535)	-	(222,415)
Disposals	-	36,410	11,166	112,210	10,589	-	170,375
At 31 December 2018	-	(581,353)	(979,270)	(915,508)	(53,829)	-	2,529,960
Net book value - owned assets							
At 1 January 2017	1,964,809	214,063	334,760	236,016	20,238	40,458	2,810,344
At 31 December 2017 and 1 January 2018	1,988,357	238,486	339,450	257,291	10,518	40,069	2,874,171
At 31 December 2018	1,988,117	221,107	300,427	233,505	5,980	99,662	2,848,798

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 1,808 million (2017: Baht 1,718 million).

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	Separate financial statements						Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
Cost							
At 1 January 2017	1,901,669	776,546	1,064,084	1,088,783	74,912	40,458	4,946,452
Additions	2,404	21,757	95,150	69,451	-	94,474	283,236
Transfers	22,004	13,434	10,127	38,174	187	(94,864)	(10,938)
Disposals	(860)	(5,500)	(15,945)	(7,504)	(11,226)	-	(41,035)
At 31 December 2017 and 1 January 2018	1,925,217	806,237	1,153,416	1,188,904	63,873	40,068	5,177,715
Additions	-	210	72,333	43,173	-	97,322	213,038
Transfers	-	3,907	2,874	27,195	-	(37,730)	(3,754)
Disposals	(240)	(42,212)	(9,166)	(119,561)	(10,589)	-	(181,768)
At 31 December 2017	1,924,977	768,142	1,219,457	1,139,711	53,284	99,660	5,205,231
Depreciation							
At 1 January 2017	-	(569,264)	(740,140)	(852,273)	(57,637)	-	(2,219,314)
Depreciation charge for the year	-	(13,298)	(99,310)	(82,559)	(8,627)	-	(203,794)
Disposals	-	5,501	14,967	5,750	10,944	-	37,162
At 31 December 2017 and 1 January 2018	-	(577,061)	(824,483)	(929,082)	(55,320)	-	(2,385,946)
Depreciation charge for the year	-	(14,517)	(112,396)	(84,731)	(3,128)	-	(214,772)
Disposals	-	35,890	7,218	112,210	10,588	-	165,906
At 31 December 2018	-	(555,688)	(929,661)	(901,603)	(47,860)	-	(2,434,812)
Net book value-owned assets							
At 1 January 2017	1,901,669	207,282	323,944	236,510	17,275	40,458	2,727,138
At 31 December 2017 and 1 January 2018	1,925,217	229,176	328,933	259,822	8,552	40,068	2,791,769
At 31 December 2018	1,924,977	212,454	289,796	238,108	5,424	99,660	2,770,419

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 1,758 million (2017: Baht 1,668 million)

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17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Intangible assets	35,853	31,795	27,664	23,055
Leasehold	14,109	18,642	14,109	18,642
Deposits and guarantees	180,373	177,553	179,170	176,986
Loan to employees and others	1,071	2,259	1,071	2,259
Other	20,201	22,105	13,356	12,082
Total	251,607	252,354	235,370	233,024

Intangible assets

	Consolidated financial statements				
	Trademarks	License data base of customer	Software Licenses	Software under development	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2017	32,515	7,955	13,262	3,372	57,104
Additions	392	-	7,498	440	8,330
Transfers from Property, plant and equipment	396	-	2,785	-	3,181
At 31 December 2017 and 1 January 2018	33,303	7,955	23,545	3,812	68,615
Additions	720	-	3,693	79	4,492
Transfers from Property, plant and equipment	64	-	7,304	(3,844)	3,524
Disposals	-	-	(5)	-	(5)
At 31 December 2018	34,087	7,955	34,537	47	76,626
Amortisation					
At 1 January 2017	(22,793)	(5,036)	(5,385)	-	(33,214)
Amortisation for the year	(868)	(803)	(1,935)	-	(3,606)
At 31 December 2017 and 1 January 2018	(23,661)	(5,839)	(7,320)	-	(36,820)
Amortisation for the year	(281)	(803)	(2,871)	-	(3,955)
Decrease	-	-	2	-	2
At 31 December 2018	(23,942)	(6,642)	(10,189)	-	(40,773)
Net book value					
At 1 January 2017	9,722	2,919	7,877	3,372	23,890
At 31 December 2017 and 1 January 2018	9,642	2,116	16,225	3,812	31,795
At 31 December 2018	10,145	1,313	24,348	47	35,853

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	Separate financial statements				
	Trademarks	License data base of customer	Software Licenses	Software under development	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2017	23,583	7,845	7,384	3,372	42,184
Additions	392	-	7,498	440	8,330
Transfers from Property, plant and equipment	396	-	2,785	-	3,181
At 31 December 2017 and 1 January 2018	24,371	7,845	17,667	3,812	53,695
Additions	720	-	3,693	79	4,492
Transfers from Property, plant and equipment	64	-	7,304	(3,844)	3,524
Decrease	-	-	(5)	-	(5)
At 31 December 2018	25,155	7,845	28,659	47	61,706
Amortisation					
At 1 January 2017	(22,121)	(5,035)	(653)	-	(27,809)
Amortisation for the year	(868)	(803)	(1,160)	-	(2,831)
At 31 December 2017 and 1 January 2018	(22,989)	(5,838)	(1,813)	-	(30,640)
Amortisation for the year	(281)	(803)	(2,320)	-	(3,404)
Decrease	-	-	2	-	2
At 31 December 2018	(23,270)	(6,641)	(4,131)	-	(34,042)
Net book value					
At 1 January 2017	<u>1,462</u>	<u>2,810</u>	<u>6,731</u>	<u>3,372</u>	<u>14,375</u>
At 31 December 2017 and 1 January 2018	<u>1,382</u>	<u>2,007</u>	<u>15,854</u>	<u>3,812</u>	<u>23,055</u>
At 31 December 2018	<u>1,885</u>	<u>1,204</u>	<u>24,528</u>	<u>47</u>	<u>27,664</u>

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Leasehold

	Consolidated and separate financial statements			
	Land	Building (in thousand Baht)	Building space in the shopping center	Total
Cost				
At 1 January 2017	17,397	37,108	117,470	171,975
Increase	-	-	-	-
At 31 December 2017 and 1 January 2018	17,397	37,108	117,470	171,975
Decrease	(600)	-	-	(600)
At 31 December 2018	16,797	37,108	117,470	171,375
Amortisation				
At 1 January 2017	(16,903)	(32,519)	(99,330)	(148,752)
Amortisation for the year	(154)	(1,304)	(3,123)	(4,581)
At 31 December 2017 and 1 January 2018	(17,057)	(33,823)	(102,453)	(153,333)
Amortisation for the year	(137)	(1,304)	(3,092)	(4,533)
Decrease	600	-	-	600
At 31 December 2018	(16,594)	(35,127)	(105,545)	(157,266)
Net book value				
At 1 January 2017	494	4,589	18,140	23,223
At 31 December 2017 and 1 January 2018	340	3,285	15,017	18,642
At 31 December 2018	203	1,981	11,925	14,109

18 Deferred tax

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Deferred tax assets	691,224	726,942	691,224	726,942
Deferred tax liabilities	(1,383,697)	(1,461,393)	(1,381,315)	(1,459,011)
Net	(692,473)	(734,451)	(690,091)	(732,069)

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

	At 1 January 2018	Consolidated financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable	5,485	(707)	-	4,778
Inventories	13,120	(1,176)	-	11,944
Gross profit for consignment goods	475,129	(28,934)	-	446,195
Other long-term investments	92,658	1,167	-	93,825
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(8,517)	-	2,424
Employee benefit obligation	107,461	10,738	(8,289)	109,910
Total	726,942	(27,429)	(8,289)	691,224
Deferred tax liabilities				
Marketable securities	(1,451,069)	-	119,153	(1,331,916)
Gain on classification from debt security held to maturity to be investment available for sale	-	-	(40,312)	(40,312)
Property, plant and equipment	(8,491)	(1,145)	-	(9,636)
Intangible assets	(1,833)	-	-	(1,833)
Total	(1,461,393)	(1,145)	78,841	(1,383,697)
Net	(734,451)	(28,574)	70,552	(692,473)

	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable	5,485	(707)	-	4,778
Inventories	13,120	(1,176)	-	11,944
Gross profit for consignment goods	475,129	(28,934)	-	446,195
Other long-term investments	92,658	1,167	-	93,825
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(8,517)	-	2,424
Employee benefit obligation	107,461	10,738	(8,289)	109,910
Total	726,942	(27,429)	(8,289)	691,224

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	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax liabilities				
Marketable securities	(1,451,069)	-	119,153	(1,331,916)
Gain on classification from debt security held to maturity to be investment available for sale	-	-	(40,312)	(40,312)
Property, plant and equipment	(7,942)	(1,145)	-	(9,087)
Total	(1,459,011)	(1,145)	78,841	(1,381,315)
Net	(732,069)	(28,574)	70,552	(690,091)

	At 1 January 2017	Consolidated financial statements (Charged) / Credited to:		At 31 December 2017
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Accounts receivable	9,246	(3,761)	-	5,485
Inventories	16,136	(3,016)	-	13,120
Gross profit for consignment goods	468,465	6,664	-	475,129
Other long-term investments	86,254	6,404	-	92,658
Investment properties	22,148	-	-	22,148
Property, plant and equipment	26,197	(15,256)	-	10,941
Employee benefit obligation	98,665	8,796	-	107,461
Total	727,111	(169)	-	726,942
Deferred tax liabilities				
Marketable securities	(950,339)	-	(500,730)	(1,451,069)
Property, plant and equipment	(7,345)	(1,146)	-	(8,491)
Intangible assets	(1,833)	-	-	(1,833)
Total	(959,517)	(1,146)	(500,730)	(1,461,393)
Net	(232,406)	(1,315)	(500,730)	(734,451)

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	At 1 January 2017	Separate financial statements (Charged) / Credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Accounts receivable	9,246	(3,761)	-	5,485
Inventories	16,136	(3,016)	-	13,120
Gross profit for consignment goods	468,465	6,664	-	475,129
Other long-term investments	86,254	6,404	-	92,658
Investment properties	22,148	-	-	22,148
Property, plant and equipment	26,197	(15,256)	-	10,941
Employee benefit obligation	98,665	8,796	-	107,461
Total	727,111	(169)	-	726,942
<i>Deferred tax liabilities</i>				
Marketable securities	(950,339)	-	(500,730)	(1,451,069)
Property, plant and equipment	(6,796)	(1,146)	-	(7,942)
Total	(957,135)	(1,146)	(500,730)	(1,459,011)
Net	(230,024)	(1,315)	(500,730)	(732,069)

In 2018, the Group's subsidiaries, Thai Itokin Co., Ltd., incurred a tax loss of Baht 6.05 million, increasing cumulative tax losses to Baht 67.76 million (2017: Baht 61.71 million). Deferred tax assets have not been recognised in respect of these items because Management has determined that the recoverability of cumulative tax losses, which expire in 2019-2021 is not probable that future taxable profit will be available against which Thai Itokin Co., Ltd. can utilise the benefits therefrom.

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19 Interest-bearing liabilities

As at 31 December 2018, the Group had unsecured short-term loan with a financial institution in amounting to Baht 20 million (2017: Baht 20 million) and had short-term loan with related party in amounting to Baht 10 million (2017: Baht 10 million). This loan bears interest rate of MLR- 0.25% and 4% per annum (2017: MLR-0.25% and 4.00% per annum). This loan is repayable when maturity and at call.

Interest-bearing liabilities of the Group as at 31 December 2018 was denominated entirely in Thai Baht.

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	1,118,817	1,158,614	1,128,057	1,167,530
Other parties		154,673	152,836	108,345	106,541
Total		1,273,490	1,311,450	1,236,402	1,274,071

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,205,047	1,238,472	1,163,339	1,216,866
United States Dollars (USD)	62,033	61,602	67,317	54,910
Euro (EUR)	664	9,081	-	-
Japanese Yen (JPY)	5,746	1,351	5,746	1,351
China Yuan (CNY)	-	944	-	944
Total	1,273,490	1,311,450	1,236,402	1,274,071

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21 Provision for employee benefits

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of financial position				
provisions for:				
Defined benefit plan	<u>588,805</u>	<u>577,738</u>	<u>549,550</u>	<u>537,303</u>
 <i>For the year ended 31 December</i>				
Statement of comprehensive income:				
Recognised in profit or loss:				
Defined benefit plan	<u>78,653</u>	<u>72,913</u>	<u>78,128</u>	<u>68,509</u>
 Recognised in other comprehensive				
income:				
Actuarial gain recognised in the year	<u>(41,443)</u>	<u>-</u>	<u>(41,443)</u>	<u>-</u>

Defined benefit plan

The Group operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognized during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 5.36 million and Baht 4.64 million, respectively.

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

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Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	577,738	532,586	537,303	493,324
Include in profit or loss:				
Current service costs	66,007	60,032	65,587	56,542
Interest on obligation	12,646	12,881	12,541	11,967
Included in other comprehensive				
Actuarial gain	(41,443)	-	(41,443)	-
Others				
Benefits paid by the plan	(26,143)	(27,761)	(24,438)	(24,530)
At 31 December	588,805	577,738	549,550	537,303

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(%)</i>			
Discount rate	2.49 - 2.67	2.49 - 2.65	2.67	2.65
Future salary increases	2.00 - 7.00	2.00 - 7.00	3.00 - 7.00	3.00 - 7.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 7.11 - 8.53 years (2017: 7.11-7.70 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
At 31 December 2018	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(41,426)	46,987	(39,350)	44,689
Future salary growth (1% movement)	46,130	(41,460)	43,717	(39,240)
Average age (1year movement)	1,483	(1,477)	1,394	(1,389)
Turnover rate (1% movement)	(43,490)	20,607	(41,718)	19,436
At 31 December 2017				
Discount rate (1% movement)	(33,070)	37,220	(30,976)	34,902
Future salary growth (1% movement)	36,608	(33,143)	34,193	(30,922)
Average age (1year movement)	1,425	(1,418)	1,334	(1,328)
Turnover rate (1% movement)	(35,407)	21,683	(33,166)	20,491

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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22 Share capital

	Par value per share (in Baht)	2018		2017	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
At 31 December					
- ordinary shares	1	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>
At 31 December					
- ordinary shares	1	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

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23 Reserves

Reserves comprise appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

General reserve

The Company distributed a general reserve equal to 10% of profit for the each year in order for the company has strength on general reserve base to be maintain stability and increase the Shareowner's wealth.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

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24 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation involves 3 principal segments; Cosmetics toiletries & perfumeries, Women’s apparel and Men’s apparel. Segment performance is considered by using the measure operating profit in the financial statements. The Company has not report segment assets and segment liabilities due to the management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Cosmetics toiletries & perfumeries		Women’s apparel		Men’s apparel		Total reportable segments		Others		Total		Elimination of inter-segment revenue		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<i>For the year ended 31 December</i>																
Revenue from sale of goods	1,143	1,274	4,672	4,574	3,164	3,235	8,979	9,083	3,501	3,486	12,480	12,569	(130)	(122)	12,350	12,447
Segment operating profit	67	122	517	439	365	298	949	859	94	27	1,043	886	(39)	(37)	1,004	849
Other income															979	1,010
Unallocated expenses															(1,023)	(955)
Share of profit of investments in associates																
Profit before tax															49	29
															1,009	933

The Group is managed and operated principally in Thailand, There are no material revenues derived from, or assets located in foreign countries. The Group has no major customer.

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25 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Distribution	1,291,911	1,309,464	1,283,294	1,302,359
Personnel	1,179,515	1,255,549	1,176,506	1,252,812
Marketing	418,958	513,106	417,700	506,779
Total	<u>2,890,384</u>	<u>3,078,119</u>	<u>2,877,500</u>	<u>3,061,950</u>

26 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Personnel	964,602	982,896	915,729	931,397
Office management	677,620	627,287	677,476	697,736
Total	<u>1,642,222</u>	<u>1,610,183</u>	<u>1,593,205</u>	<u>1,629,133</u>

27 Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Wages and salaries	2,016,574	2,087,144	1,863,287	1,956,966
Defined benefit plans	78,653	72,913	78,128	68,509
Defined contribution plans	30,733	31,247	25,986	26,843
Others	82,304	87,707	79,654	89,093
Total	<u>2,208,264</u>	<u>2,279,011</u>	<u>2,047,055</u>	<u>2,141,411</u>

Defined benefit plans

Details of the defined benefit plans are given in note 21.

Defined contribution plans

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates of 3% of their basic salaries and by the Company at rates of 3% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

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28 Expenses by nature

The statement of income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Purchase of finished goods		7,623,385	7,435,098	7,550,003	7,444,520
Changes in inventories of finished goods		59,347	264,302	45,700	257,747
Employee benefit expenses	27	2,208,264	2,279,011	2,047,055	2,141,411
Advertising costs and promotional expenses		998,959	1,132,017	989,803	1,123,080
Rental and service expenses		421,725	416,401	420,881	412,374
Depreciation and amortisation expenses	15, 16, 17	238,384	231,555	231,504	221,727
Transportation expenses		141,467	138,996	140,516	138,669
Royalty fee		100,729	90,012	99,389	89,306
Others		579,222	563,835	541,556	564,515
Total cost of sales of goods, distribution costs and administrative expenses		12,371,482	12,551,227	12,066,407	12,393,349

29 Income tax expense

Income tax recognised in profit or loss

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		46,274	85,174	45,858	85,127
		46,274	85,174	45,858	85,127
Deferred tax expense					
Movements in temporary differences	18	28,574	1,315	28,574	1,315
		74,848	86,489	74,432	86,442

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Income tax recognised in other comprehensive income adds

	Consolidated and separate financial statements					
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
Available-for-sale investments	(595,765)	119,153	(476,612)	2,503,652	(500,730)	2,002,922
Actuarial gain	41,443	(8,289)	33,154	-	-	-
Gain on classification from debt security held to maturity to be investment available for sale	201,560	(40,312)	161,248	-	-	-
Total	(352,762)	70,552	(282,210)	2,503,652	(500,730)	2,002,922

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Rate (%)	<i>(in million Baht)</i>	Rate (%)	<i>(in million Baht)</i>
Profit before income tax expense		1,009		933
Income tax using the Thai corporation tax rate	20	202	20	186
Difference in effective tax rate of investment in associates		10		5
Income not subject to tax		(107)		(97)
Difference in tax and accounting treatment of income and expense		(30)		(8)
Total	8	75	9	86

	Separate financial statements			
	2018		2017	
	Rate (%)	<i>(in million Baht)</i>	Rate (%)	<i>(in million Baht)</i>
Profit before income tax expense		995		885
Income tax using the Thai corporation tax rate	20	199	20	177
Income not subject to tax		(107)		(97)
Difference in tax and accounting treatment of income and expense		(18)		6
Total	7	74	10	86

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30 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate Financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / in thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>931,280</u>	<u>846,477</u>	<u>920,475</u>	<u>798,379</u>
Number of ordinary shares outstanding	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>
Basic earnings per share (in Baht)	<u>3.20</u>	<u>2.91</u>	<u>3.17</u>	<u>2.75</u>

31 Dividends

At the annual general meeting of the shareholders of the Company held on 23 April 2018, the shareholders approved the appropriation of dividend of Baht 1.10 per share, amounting to Baht 319.70 million and general reserve 10% of income for the year 2017, amounting to Baht 79.84 million. The dividend was paid on 22 May 2018.

At the annual general meeting of the shareholders of the Company held on 24 April 2017, the shareholders approved the appropriation of dividend of Baht 1.15 per share, amounting to Baht 334.22 million and general reserve 10% of income for the year 2016, amounting to Baht 82.60 million. The dividend was paid on 23 May 2017.

32 Financial instruments

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 immaterial derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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Interest rate risk

The interest rate risk arises from the fluctuation of the market rate which has affected business performance and cash flow. Hence, the Group's financial data mostly bear the interest rate adjusted according to the market interest rate.

Foreign currency risk

Due to the small number of foreign trade debtors and creditors, the Group then has entered into a few short-term maturity of forward exchange contracts for hedging such exchange risk as the risk is immaterial.

Credit risk

Due to the cautious policy in providing credit facilities with strictly-controlled debt follow up and that most of the debtors have long relationship with the Company, no significant loss from debt collection is expected. As of 31 December 2018 and 2017, the Group has reserved for doubtful accounts amounting to Baht 22.24 million and Baht 20.84 million equivalent to 1.23% and 1.07% of trade accounts and notes receivable respectively. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Consolidated and separate financial statements			Total
		Fair value			
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 December 2018					
<i>Non-current</i>					
Equity securities available for sale	9,092	9,092	-	-	9,092
Debt securities held to maturity	20	-	20	-	20
31 December 2017					
<i>Non-current</i>					
Equity securities available for sale	9,068	9,068	-	-	9,068
Debt securities held to maturity	419	-	631	-	631

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Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques and the significant unobservable inputs used in measuring Level 2.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Debt securities held-to-maturity	<i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	54,512	29,227	51,386	27,397
After one year but within five years	35,686	20,736	31,863	20,599
After five years	1,740	3,784	1,740	3,784
Total	91,938	53,747	84,989	51,780

Rental area and related services agreements

The Company entered into rental area and related services agreements with various local companies. The Company had paid monthly fees of Baht 59-1,050,000. The period of agreement lasts 1-29 years and will be expired within 2024.

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Unused letters of credit for goods	245,000	245,000	223,000	223,000
Development and construction agreements	-	40,986	-	-
Bank guarantees	32,278	32,464	23,979	24,112
Services and consulting agreements	1,699	324	-	300
Total	<u>278,977</u>	<u>318,774</u>	<u>246,979</u>	<u>247,412</u>

34 Events after the reporting period

At the Board of directors' meeting of the Company held on 22 February 2019, approved the appropriation of dividend from the profit for the year 2018 of Baht 1.21 per share, amounting to Baht 351.67 million and general reserve 10% of income for the year 2018, amounting to Baht 92.05 million. The dividend will be paid to shareholders during the year 2019.

35 Thai Financial Reporting Standards (TFRS) that have been issued but is not yet effective

The new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these consolidated and separate financial statements. The new and revised TFRSs that may be relevant to the Group's operations, which become effective for annual consolidated and separate financial periods beginning on or after 1 January 2019 and 2020. The Group does not plan to early adopt these TFRSs.

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

The new TFRSs are set out below;

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

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(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

The Group has made an assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

36 Reclassification of accounts

Certain accounts in the 2017 financial statement for comparative purposes, have been reclassified to conform to the presentation in the 2018 financial statements.

	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
Statement of financial position as at 31 December 2017						
Trade account receivables	1,914,376	6,695	1,921,071	1,908,724	6,695	1,915,419
Other current assets	145,275	<u>(6,695)</u>	138,580	137,358	<u>(6,695)</u>	130,663
		<u>-</u>			<u>-</u>	
Statement of comprehensive income for the year ended 31 December 2017						
Cost of sales of goods	7,861,116	1,810	7,862,926	7,700,456	1,810	7,702,266
Administrative expenses	1,611,993	<u>(1,810)</u>	1,610,183	1,630,943	<u>(1,810)</u>	1,629,133
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.