

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

Financial statements for the year ended  
31 December 2017  
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 2017, 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 2017 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.

<b>Valuation of inventory</b>	
Refer to Note 3(e) and 9	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<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"> <li>• 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;</li> <li>• testing items on the inventory aging report to check that these were classified in the appropriate aging bracket with the assistance of KPMG Information Risk Management Audit;</li> <li>• 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;</li> <li>• 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</li> <li>• assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.</li> </ul>

<b>Valuation of other long-term investments</b>	
Refer to Note 3(h) and 14	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<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"> <li>• assessing the process to identify indications of impairment and understanding the impairment process performed by the management;</li> <li>• 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</li> <li>• assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.</li> </ul>

<b>Revenue recognition - consignment</b>	
Refer to Note 3(r) and 25	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<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"> <li>• understanding and assessing the design and testing the operating effectiveness of internal controls related to recognition of the consignment sales;</li> <li>• testing a sample of sales transaction and sales returns during the year and the period near the end of year;</li> <li>• testing samples of journal entries posted to revenue accounts to consider any possible irregular sales transactions;</li> <li>• performing reconciliation between the input data with data in ERP system with the assistance of KPMG Information Risk Management Audit;</li> <li>• comparing revenue reported by group of product in the current reporting period with prior period to identify unusual transactions; and</li> <li>• assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.</li> </ul>

### *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.

### *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  
23 February 2018

# 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	
		2017	2016	2017	2016
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	911,101,101	1,175,489,491	875,732,812	1,160,290,329
Trade accounts receivable	5, 7	1,914,376,414	1,550,812,475	1,908,724,264	1,540,564,982
Short-term loans	5, 8	30,000,000	165,000,000	195,700,000	339,500,000
Inventories	9	3,426,793,091	3,687,718,988	3,406,779,488	3,645,569,476
Real estate projects under development	10	157,760,079	171,027,646	-	-
Out put VAT on consignment sales of inventories		317,605,942	335,521,729	317,605,942	335,521,729
Other current assets		145,275,009	104,837,160	137,357,411	99,253,550
<b>Total current assets</b>		<b>6,902,911,636</b>	<b>7,190,407,489</b>	<b>6,841,899,917</b>	<b>7,120,700,066</b>
<b>Non-current assets</b>					
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	9,068,041,533	6,586,035,466	9,068,041,533	6,586,035,466
Investments in subsidiaries	12	-	-	63,825,275	55,791,536
Investments in associates	13	826,905,757	695,810,531	635,735,941	585,116,601
Other long-term investments	14	2,261,056,639	1,685,600,897	2,259,967,638	1,684,511,896
Investment properties	15	1,031,767,312	979,430,872	1,100,051,063	1,049,027,922
Property, plant and equipment	16	2,874,171,414	2,810,343,828	2,791,768,868	2,727,137,632
Goodwill	4, 17	3,215,239	-	-	-
Other non-current assets	18	249,138,959	248,343,990	233,023,501	231,532,133
<b>Total non-current assets</b>		<b>16,377,245,692</b>	<b>13,008,514,423</b>	<b>16,212,413,819</b>	<b>12,919,153,186</b>
<b>Total assets</b>		<b>23,280,157,328</b>	<b>20,198,921,912</b>	<b>23,054,313,736</b>	<b>20,039,853,252</b>

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 financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowing from financial institutions	20	20,000,000	10,000,000	-	-
Short-term borrowing from related party	5, 20	10,000,000	10,000,000	-	-
Trade accounts payable	5, 21	1,311,449,589	1,328,344,312	1,274,070,937	1,285,403,492
Others payable	5	627,643,987	608,847,138	616,075,899	595,021,421
Income tax payable		44,775,776	50,377,503	44,775,776	50,377,503
<b>Total current liabilities</b>		<b>2,013,869,352</b>	<b>2,007,568,953</b>	<b>1,934,922,612</b>	<b>1,930,802,416</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	19	734,450,878	232,405,390	732,069,324	230,023,836
Provisions for employee benefit	22	577,737,669	532,585,693	537,303,413	493,324,370
Other non-current liabilities		43,454,924	46,848,149	42,369,848	45,125,558
<b>Total non-current liabilities</b>		<b>1,355,643,471</b>	<b>811,839,232</b>	<b>1,311,742,585</b>	<b>768,473,764</b>
<b>Total liabilities</b>		<b>3,369,512,823</b>	<b>2,819,408,185</b>	<b>3,246,665,197</b>	<b>2,699,276,180</b>
<b>Equity</b>					
Share capital:	23				
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	24	50,000,000	50,000,000	50,000,000	50,000,000
General reserve	24	1,789,311,343	1,706,711,494	1,789,311,343	1,706,711,494
Unappropriated		10,438,354,093	10,008,706,168	10,334,850,683	9,953,300,636
Other components of equity		5,804,059,837	3,801,025,369	5,804,275,807	3,801,354,236
<b>Equity attributable to owners of the parent</b>		<b>19,910,935,979</b>	<b>17,395,653,737</b>	<b>19,807,648,539</b>	<b>17,340,577,072</b>
Non-controlling interests		(291,474)	(16,140,010)	-	-
<b>Total equity</b>		<b>19,910,644,505</b>	<b>17,379,513,727</b>	<b>19,807,648,539</b>	<b>17,340,577,072</b>
<b>Total liabilities and equity</b>		<b>23,280,157,328</b>	<b>20,198,921,912</b>	<b>23,054,313,736</b>	<b>20,039,853,252</b>

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	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Revenue from sale of goods	25	12,446,980,013	12,615,379,056	12,246,902,914	12,420,967,585
Cost of sales of goods	9, 29	7,861,115,734	7,851,000,585	7,700,455,922	7,712,589,636
<b>Gross profit</b>		<b>4,585,864,279</b>	<b>4,764,378,471</b>	<b>4,546,446,992</b>	<b>4,708,377,949</b>
<b>Other income</b>					
Dividends income		469,655,373	526,679,363	490,574,453	538,079,213
Gain on disposal of property, plant and equipments and investment properties		82,482,616	35,177,079	82,348,925	34,858,526
Gain on disposal of investments held as available for sale		242,619,598	-	242,619,598	-
Other income		215,849,547	237,584,921	215,725,315	244,001,017
<b>Total other income</b>		<b>1,010,607,134</b>	<b>799,441,363</b>	<b>1,031,268,291</b>	<b>816,938,756</b>
<b>Profit before expenses</b>		<b>5,596,471,413</b>	<b>5,563,819,834</b>	<b>5,577,715,283</b>	<b>5,525,316,705</b>
<b>Expenses</b>					
Distribution costs	26, 29	3,078,118,575	2,892,342,464	3,061,949,775	2,883,461,895
Administrative expenses	27, 29	1,611,993,176	1,690,002,782	1,630,943,430	1,721,361,401
Finance costs		1,612,430	1,855,312	1,316	-
<b>Total expenses</b>		<b>4,691,724,181</b>	<b>4,584,200,558</b>	<b>4,692,894,521</b>	<b>4,604,823,296</b>
Share of profit of investments in associates	13	28,730,424	51,132,194	-	-
<b>Profit before income tax expense</b>		<b>933,477,656</b>	<b>1,030,751,470</b>	<b>884,820,762</b>	<b>920,493,409</b>
Income tax expense	30	86,489,074	94,494,919	86,442,076	94,494,919
<b>Profit for the year</b>		<b>846,988,582</b>	<b>936,256,551</b>	<b>798,378,686</b>	<b>825,998,490</b>

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	
		2017	2016	2017	2016
<i>(in Baht)</i>					
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(58,552)	(243,876)	-	-
Gains on remeasuring available-for-sale investments	11, 30	2,503,651,963	953,594,559	2,503,651,963	953,594,559
Income tax relating to item that will be reclassified to profit or loss	19, 30	(500,730,392)	(190,718,912)	-500,730,392	-190,718,912
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>2,002,863,019</b>	<b>762,631,771</b>	<b>2,002,921,571</b>	<b>762,875,647</b>
<i>Items that will not be reclassified to profit or loss</i>					
Share of other comprehensive income of associates - net of tax	13	536,109	-	-	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>536,109</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>2,003,399,128</b>	<b>762,631,771</b>	<b>2,002,921,571</b>	<b>762,875,647</b>
<b>Total comprehensive income for the year</b>		<b>2,850,387,710</b>	<b>1,698,888,322</b>	<b>2,801,300,257</b>	<b>1,588,874,137</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		846,476,564	936,277,528	798,378,686	825,998,490
Non-controlling interests		512,018	(20,977)	-	-
<b>Profit for the year</b>		<b>846,988,582</b>	<b>936,256,551</b>	<b>798,378,686</b>	<b>825,998,490</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		2,849,511,032	1,698,936,604	2,801,300,257	1,588,874,137
Non-controlling interests		876,678	(48,282)	-	-
<b>Total comprehensive income for the year</b>		<b>2,850,387,710</b>	<b>1,698,888,322</b>	<b>2,801,300,257</b>	<b>1,588,874,137</b>
<b>Earnings per share (in Baht)</b>					
Basic earnings per share	31	2.91	3.22	2.75	2.84

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**

<b>Consolidated financial statements</b>													
Note	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components shareholders' equity			Equity attributable to owners of the parent	Non- controlling interests	Total equity	
				Legal reserve	General reserve	Unappropriated	Translating foreign operations	Available- for-sale investments	Total other components of equity				
<i>(in Baht)</i>													
<b>Year ended 31 December 2016</b>													
<b>Balance at 1 January 2016</b>	<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,638,869,660</b>	<b>9,445,435,890</b>	<b>(112,296)</b>	<b>3,038,478,589</b>	<b>3,038,366,293</b>	<b>16,001,882,549</b>	<b>-16,091,728</b>	<b>15,985,790,821</b>	
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the parent</i>													
Dividends	32	-	-	-	-	(305,165,416)	-	-	-	(305,165,416)	-	(305,165,416)	
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(305,165,416)	-	-	-	(305,165,416)	-	(305,165,416)	
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	(305,165,416)	-	-	-	(305,165,416)	-	(305,165,416)	
<b>Comprehensive income for the year</b>													
Profit or loss		-	-	-	-	936,277,528	-	-	-	936,277,528	(20,977)	936,256,551	
Other comprehensive income		-	-	-	-	-	(216,571)	762,875,647	762,659,076	762,659,076	-27,305	762,631,771	
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>936,277,528</b>	<b>(216,571)</b>	<b>762,875,647</b>	<b>762,659,076</b>	<b>1,698,936,604</b>	<b>(48,282)</b>	<b>1,698,888,322</b>	
Transfer to general reserve	24	-	-	-	67,841,834	(67,841,834)	-	-	-	-	-	-	
<b>Balance at 31 December 2016</b>		<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,706,711,494</b>	<b>10,008,706,168</b>	<b>-328,867</b>	<b>3,801,354,236</b>	<b>3,801,025,369</b>	<b>17,395,653,737</b>	<b>-16,140,010</b>	<b>17,379,513,727</b>

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**

Note	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components shareholders' equity				Equity attributable to owners of the parent	Non-controlling interests	Total equity
				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			
<b>Year ended 31 December 2017</b>													
	<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,706,711,494</b>	<b>10,008,706,168</b>	<b>(328,867)</b>	<b>3,801,354,236</b>	<b>-</b>	<b>3,801,025,369</b>	<b>17,395,653,737</b>	<b>(16,140,010)</b>	<b>17,379,513,727</b>
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the parent</i>													
	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	-	(334,228,790)
32	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	-	(334,228,790)
	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	-	(334,228,790)
<i>Changes in ownership interests in subsidiaries</i>													
	-	-	-	-	-	-	-	-	-	-	-	14,971,858	14,971,858
12	-	-	-	-	-	-	-	-	-	-	-	14,971,858	14,971,858
	-	-	-	-	-	-	-	-	-	-	-	14,971,858	14,971,858
	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	14,971,858	-319,256,932
	-	-	-	-	-	(334,228,790)	-	-	-	-	(334,228,790)	14,971,858	-319,256,932
<b>Comprehensive income for the year</b>													
	-	-	-	-	-	846,476,564	-	-	-	-	846,476,564	512,018	846,988,582
	-	-	-	-	-	-	(423,212)	2,002,921,571	536,109	2,003,034,468	2,003,034,468	364,660	2,003,399,128
	-	-	-	-	-	846,476,564	(423,212)	2,002,921,571	536,109	2,003,034,468	2,849,511,032	876,678	2,850,387,710
	-	-	-	-	82,599,849	(82,599,849)	-	-	-	-	-	-	-
24	-	-	-	-	82,599,849	(82,599,849)	-	-	-	-	-	-	-
	<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,789,311,343</b>	<b>10,438,354,093</b>	<b>(752,079)</b>	<b>5,804,275,807</b>	<b>536,109</b>	<b>5,804,059,837</b>	<b>19,910,935,979</b>	<b>(291,474)</b>	<b>19,910,644,505</b>

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**

	Note	Separate financial statements					Other components of shareholders' equity	Total equity	
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings				
					Legal reserve	General reserve			Unappropriated
<i>(in Baht)</i>									
<b>Year ended 31 December 2016</b>									
<b>Balance at 1 January 2016</b>		<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,638,869,660</b>	<b>9,500,309,396</b>	<b>3,038,478,589</b>	<b>16,056,868,351</b>
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contributions by and distributions to owners</i>									
Dividends	32	-	-	-	-	-	(305,165,416)	-	(305,165,416)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(305,165,416)</b>	<b>-</b>	<b>(305,165,416)</b>
<b>Comprehensive income for the year</b>									
Profit or loss		-	-	-	-	-	825,998,490	-	825,998,490
Other comprehensive income		-	-	-	-	-	-	762,875,647	762,875,647
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>825,998,490</b>	<b>762,875,647</b>	<b>1,588,874,137</b>
Transfer to general reserve	24	-	-	-	-	67,841,834	(67,841,834)	-	-
<b>Balance at 31 December 2016</b>		<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,706,711,494</b>	<b>9,953,300,636</b>	<b>3,801,354,236</b>	<b>17,340,577,072</b>

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**

	Note	Separate financial statements					Other components of shareholders' equity	Total equity	
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings				
					Legal reserve	General reserve			Unappropriated
<i>(in Baht)</i>									
<b>Year ended 31 December 2017</b>									
<b>Balance at 1 January 2017</b>		<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,706,711,494</b>	<b>9,953,300,636</b>	<b>3,801,354,236</b>	<b>17,340,577,072</b>
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contributions by and distributions to owners</i>									
Dividends	32	-	-	-	-	-	(334,228,790)	-	(334,228,790)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(334,228,790)</b>	<b>-</b>	<b>(334,228,790)</b>
<b>Comprehensive income for the year</b>									
Profit or loss		-	-	-	-	-	798,378,686	-	798,378,686
Other comprehensive income		-	-	-	-	-	-	2,002,921,571	2,002,921,571
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>798,378,686</b>	<b>2,002,921,571</b>	<b>2,801,300,257</b>
Transfer to general reserve	24	-	-	-	-	82,599,849	(82,599,849)	-	-
<b>Balance at 31 December 2017</b>		<b>290,633,730</b>	<b>1,487,143,830</b>	<b>51,433,146</b>	<b>50,000,000</b>	<b>1,789,311,343</b>	<b>10,334,850,683</b>	<b>5,804,275,807</b>	<b>19,807,648,539</b>

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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	846,988,582	936,256,551	798,378,686	825,998,490
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	231,555,430	195,601,307	221,727,356	189,218,683
Reversal of allowance for decline in value of investment properties	-	(50,328,402)	-	(50,328,402)
(Reversal of) bad and doubtful debts expenses	(6,257,359)	18,783,937	(6,257,359)	18,735,137
(Reversal of) losses on inventories devaluation	(27,468,096)	39,855,504	(15,076,211)	52,963,328
Decline in value of investment	26,230,487	57,955,658	112,913,123	209,689,614
Impairment losses on goodwill	-	66,409,406	-	-
Interest income	(20,099,529)	(20,351,997)	(22,650,748)	(24,441,291)
Dividends income	(469,655,373)	(526,679,363)	(490,574,452)	(538,079,213)
Finance costs	1,612,430	1,855,312	1,316	-
(Gain) loss on disposal of available for sale and long-term investment	(242,619,598)	31,056,857	(242,619,590)	31,056,857
Gain on disposal of property, plant and equipment and investment properties	(86,183,935)	(35,219,498)	(82,348,925)	(34,912,543)
Loss on retirement of equipment	-	-	1,491,873	338
Share of profit of investments in associates, net of tax	(29,266,533)	(51,132,194)	-	-
Tax expense	86,489,074	94,494,919	86,442,076	94,494,919
	<u>311,325,580</u>	<u>758,557,997</u>	<u>361,427,145</u>	<u>774,395,917</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	(357,676,029)	163,868,397	(361,901,922)	168,527,195
Inventories	288,312,562	92,961,870	253,866,199	93,302,015
Real estate projects under development	13,267,567	(12,973,152)	-	-
Other current assets	(38,738,902)	37,126,633	(41,952,858)	30,909,020
Other non-current assets	180,857	6,721,849	3,473,730	6,288,233
Trade accounts payable	(16,894,723)	139,625,225	(11,339,211)	122,963,416
Other payables	5,235,865	(135,569,568)	7,384,149	(137,470,874)
Provisions for employee benefits	45,151,976	50,543,025	43,979,043	46,444,886
Other non-current liabilities	(3,393,224)	2,773,442	(2,755,710)	2,655,711
Net cash generated from operating activities	<u>246,771,529</u>	<u>1,103,635,718</u>	<u>252,180,565</u>	<u>1,108,015,519</u>
Taxes paid	<u>(90,775,706)</u>	<u>(40,089,571)</u>	<u>(90,728,708)</u>	<u>(40,016,291)</u>
<b>Net cash from operating activities</b>	<b><u>155,995,823</u></b>	<b><u>1,063,546,147</u></b>	<b><u>161,451,857</u></b>	<b><u>1,067,999,228</u></b>

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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	21,126,663	19,088,850	23,677,881	23,178,144
Dividends received	490,574,453	538,079,213	490,574,453	538,079,213
Acquisition of property, plant and equipment and investment properties and intangible assets	(334,813,397)	(426,267,804)	(333,254,934)	(420,218,770)
Proceeds from repayment of loans to related parties and employees	74,133,234	(43,392,830)	82,933,234	(54,892,830)
Acquisition of debt securities from related party	(398,691,000)	-	(398,691,000)	-
Acquisition of other equity securities	(364,139,744)	(284,523,634)	(364,139,744)	(284,523,634)
Proceeds from sale of other equity securities	282,205,008	3,400,394	282,205,000	3,400,394
(Increase) decreased in deposit for property, plant and equipment	20,747,323	(20,222,251)	20,737,651	(20,222,251)
Proceeds from reduction of capital of other long-term investments	5,220,000	1,440,000	5,220,000	1,440,000
Proceeds from sale of property, plant and equipment	91,556,906	37,597,028	86,229,704	37,265,405
Proceeds from sale of leasehold	-	14,250,000	-	14,250,000
Cash paid for purchase of subsidiary	-	-	(7,350,716)	-
Acquisition of non-controlling interests	14,971,858	-	-	-
<b>Net cash from used in investing activities</b>	<b><u>(97,108,696)</u></b>	<b><u>(160,551,034)</u></b>	<b><u>(111,858,471)</u></b>	<b><u>(162,244,329)</u></b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(1,538,129)	(2,018,051)	(1,316)	-
Dividends paid to owners of the Company	(334,156,243)	(305,072,145)	(334,156,243)	(305,072,145)
Proceeds from short-term borrowing from related party	-	10,000,000	-	-
Decrease (increase) in bank overdrafts	10,000,000	(20,000,000)	-	-
<b>Net cash used in financing activities</b>	<b><u>(325,694,372)</u></b>	<b><u>(317,090,196)</u></b>	<b><u>(334,157,559)</u></b>	<b><u>(305,072,145)</u></b>

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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
Net (decrease) increase in cash and cash equivalents,				
before effect of exchange rates	(266,807,245)	585,904,917	(284,564,173)	600,682,754
Effect of exchange rate changes on cash and				
cash equivalents	<u>2,418,855</u>	<u>(232,429)</u>	<u>6,656</u>	<u>-</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(264,388,390)</b>	<b>585,672,488</b>	<b>(284,557,517)</b>	<b>600,682,754</b>
Cash and cash equivalents at beginning of period	<u>1,175,489,491</u>	<u>589,817,003</u>	<u>1,160,290,329</u>	<u>559,607,575</u>
<b>Cash and cash equivalents at ending of period</b>	<b><u>911,101,101</u></b>	<b><u>1,175,489,491</u></b>	<b><u>875,732,812</u></b>	<b><u>1,160,290,329</u></b>
 <i>Non-cash transactions</i>				
Increase in fair value of available-for-sale investments	2,503,651,963	953,594,559	2,503,651,963	953,594,559
Payables of acquisition of property, plant and equipment	13,597,783	52,061,322	13,597,783	52,061,322

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 2017**

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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 2017**

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 23 February 2018.

**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	
			2017	2016
			( <i>%</i> )	
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	40.0
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 2017. 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 other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 36.

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

*(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 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 amounts recognised in the financial statements 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 17      Impairment test: key assumptions underlying recoverable amounts;

Note 19      Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 22      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**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

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 financial assets;
- Note 33 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.

##### *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.

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. 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.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

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 2017**

*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.

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

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.

**(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.

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**(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.

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.

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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.

*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

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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**

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

*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.

**(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.

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**(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.

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

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(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.

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*

	<b>Fair Value</b> <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)
<b>Carrying amounts of net identifiable net assets</b>	<b>37,430</b>
<i>Less : Non-controlling interests</i>	<i>(14,972)</i>
<b>Recognised value of net asset acquired</b>	<b>22,458</b>
Gain on bargain purchases	(135)
<b>Net cash flow</b>	<b>22,323</b>

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**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:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
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	9.74	Major shareholders, 22.50% shareholding, some common shareholders and directors
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
SHOP Global (Thailand) Co., Ltd.	Thai	30.00	Associate, some common directors
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

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
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
Bangkok Tokyo Socks Co., Ltd.	Thai	19.55	Some common directors
General Glass Co., Ltd.	Thai	19.50	Some common directors
DF Inter Co., Ltd.	Thai	19.00	Some common directors
Thai Sun Foods Co., Ltd. <sup>(1)</sup>	Thai	19.00	Some common directors are close member of the family of the Company's management
Thai Cubic Technology Co., Ltd.	Thai	19.00	Some common directors
Laem Cha-Bang Warehouse 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
Tiger MK Logistics (Myanmar) Co., Ltd. <sup>(2)</sup>	Myanmar	18.00	Some common directors are close member of the family of the Company's management
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
Otsuka Saha Asia Research Co., Ltd.	Thai	16.33	Some common directors are close member of the family of the Company's management
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

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
T.U.C. Elastic Co., Ltd.	Thai	12.00	Some common directors are close member of the family of the Company's management
Treasure Hill Co., Ltd.	Thai	12.00	
Morgan De Toi (Thailand) Co., Ltd.	Thai	12.00	
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 are close member of the family of the Company's management
Saha Tokyu Corporation Co., Ltd.	Thai	12.00	
Thai Shikibo Co., Ltd.	Thai	11.74	Some common directors are close member of the family of the Company's management
Sahacogen (Chonburi) Plc.	Thai	11.30	
Thanulux Plc.	Thai	11.09	
Kewpie (Thailand) Co., Ltd.	Thai	10.77	Some common directors are close member of the family of the Company's management
Thai Arai Co., Ltd. <sup>(3)</sup>	Thai	10.75	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 are close member of the family of the Company's management
Far East DDB Plc.	Thai	10.64	
Textile Prestige Plc.	Thai	10.43	
Kai I.T. Service Co., Ltd.	Thai	10.00	
UCC Ueshima Coffee (Thailand) Co., Ltd. <sup>(4)</sup>	Thai	10.00	
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
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

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
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
J&P (Thailand) Co., Ltd. <sup>(5)</sup>	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
BNC Maesot Co., Ltd.	Thai	7.50	Some common directors
Saha-sahwa Co., Ltd. <sup>(6)</sup>	Thai	7.03	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

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
Thai Monster Co., Ltd.	Thai	5.00	Some common directors are close member of the family of the Company's management
Mobile Logistics Co., Ltd. <sup>(7)</sup>	Thai	5.00	Some common directors are close member of the family of the Company's management
Thai Hoover Industry Co., Ltd.	Thai	4.75	Some common directors are close member of the family of the Company's management
Carbon Magic (Thailand) Co., Ltd. <sup>(8)</sup>	Thai	4.17	Some common directors are close member of the family of the Company's management
Thai Arusu Co., Ltd.	Thai	4.17	Some common directors are close member of the family of the Company's management
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
Thai Samsung Electronics Co., Ltd. <sup>(9)</sup>	Thai	3.71	Some common directors are close member of the family of the Company's management
Sriracha Aviation Co., Ltd.	Thai	3.64	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 are close member of the family of the Company's management
Thai Samsung Life Insurance Plc. <sup>(10)</sup>	Thai	3.42	Some common directors are close member of the family of the Company's management
Thai Naxis Co., Ltd.	Thai	3.38	Some common directors are close member of the family of the Company's management
Thai President Foods Plc.	Thai	1.37	Some common directors are close member of the family of the Company's management
Singer Thailand Plc. <sup>(11)</sup>	Thai	1.30	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

**I.C.C. International Public Company Limited and its subsidiaries**  
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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Ownership interest (%)</b>	<b>Nature of relationships</b>
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.
International Curity Footwear Co., Ltd.	Thai	-	Some common directors
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
Silver Rain Co., Ltd.	Thai	-	Some common directors
Sriracha BSC Bowling Co., Ltd. <sup>(12)</sup>	Thai	-	Some common directors
Thai One Mall Co., Ltd. <sup>(13)</sup>	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
4 People Foods Co., Ltd. <sup>(14)</sup>	Thai	-	Some common directors
Manorom footwear Co., Ltd. <sup>(15)</sup>	Thai	-	Some shareholders are close member of the family of the Company's management

**I.C.C. International Public Company Limited and its subsidiaries**  
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- (1) Thai Sun Foods Co., Ltd. had not been related since 1 January 2017.
- (2) Tiger MK Logistics (Myanmar) Co., Ltd had not been related since 1 January 2017.
- (3) Thai Arai Co., Ltd. had not been related since 1 January 2017.
- (4) UCC Ueshima Coffee (Thailand) Co., Ltd. had not been related since 1 January 2017.
- (5) J&P (Thailand) Co., Ltd. had not been related since 1 January 2017.
- (6) Saha-sahwa Co., Ltd. had not been related since 1 January 2017.
- (7) Mobile Logistics Co., Ltd. had not been related since 1 January 2017.
- (8) Carbon Magic (Thailand) Co., Ltd. had not been related since 1 January 2017.
- (9) Thai Samsung Electronics Co., Ltd. had not been related since 1 January 2017.
- (10) Thai Samsung Life Insurance Plc. had not been related since 1 January 2017.
- (11) Singer Thailand Plc. had not been related since 1 January 2017.
- (12) Sriracha BSC Bowling Co., Ltd. had not been related since 1 January 2017.
- (13) Thai One Mall Co., Ltd. had not been related since 1 January 2017.
- (14) 4 People Foods Co., Ltd. had been liquidated and dissolved on 1 September 2016.
- (15) Manorom footwear Co., Ltd. had been related since quarter 3, 2017.

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

**Transactions**

Sales of goods  
Interest income  
Dividends income  
Other income  
Purchase of goods or receiving of services  
Purchase/Sale of property, plant and equipment  
and intangible assets  
Distribution costs  
Other expenses

**Pricing policies**

Market price or contractually agreed prices  
At the rates of 1.50%-4.37% per annum  
According to the declaration  
Market price or contractually agreed prices  
Contractually agreed prices  
Contractually agreed prices  
Market price  
Market price or contractually agreed prices

**I.C.C. International Public Company Limited and its subsidiaries**  
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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	827	99
Other income	-	-	6,373	7,180
Purchases of goods	-	-	120,560	123,787
Distribution costs	-	-	1,100	1,168
Other expenses	-	-	37	2,823
<b>Associates</b>				
Sales of goods	36,787	34,421	36,787	34,421
Dividend income	20,919	11,400	20,919	11,400
Other income	11,130	10,357	11,130	10,357
Purchases of goods	176,459	184,956	176,459	184,956
Distribution costs	463	475	463	475
Other expenses	2,631	2,366	2,419	2,366
<b>Other related parties</b>				
Sales of goods	382,408	386,093	376,114	369,053
Dividend income	425,896	496,569	425,896	496,569
Other income	110,085	96,587	110,072	96,470
Purchases of goods	6,214,115	6,049,514	6,203,040	6,044,834
Purchase of property, plant and equipment and intangible asset	127,764	184,250	127,764	184,250
Distribution costs	399,751	380,544	399,574	380,544
Other expenses	42,613	51,102	41,777	49,049
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	80,958	90,613	78,221	87,867
Long-term benefits	6,726	6,646	6,596	6,521
<b>Total key management personnel compensation</b>	<b>87,684</b>	<b>97,259</b>	<b>84,807</b>	<b>94,388</b>

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

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	15,098	10,905
Associates	996	6,821	996	6,821
Other related parties	109,770	95,112	109,701	94,418
	<b>110,766</b>	<b>101,933</b>	<b>125,795</b>	<b>112,144</b>
<i>Less allowance for doubtful accounts</i>	<i>(6,555)</i>	<i>(7,881)</i>	<i>(6,907)</i>	<i>(7,881)</i>
<b>Total</b>	<b>104,211</b>	<b>94,052</b>	<b>118,888</b>	<b>104,263</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

<i>Other accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	112	75
Associates	162	303	162	303
Other related parties	23,612	14,806	23,612	14,731
<b>Total</b>	<b>23,774</b>	<b>15,109</b>	<b>23,886</b>	<b>15,109</b>

<i>Loans to related parties</i>	<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Short-term loans</b>						
Subsidiaries	1.50	1.45-4.50	-	-	165,700	174,500
Associates	-	6.27-6.52	-	75,000	-	75,000
Other related parties	4.37	4.37-4.50	30,000	90,000	30,000	90,000
<b>Total short-term loans</b>			<b>30,000</b>	<b>165,000</b>	<b>195,700</b>	<b>339,500</b>

<b>Long-term loan</b>						
Associates	6.03-6.27	-	60,000	-	60,000	-
			<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>-</b>

<b>Summary loans to related parties</b>						
Short-term loans			30,000	165,000	195,700	339,500
Long-term loan			60,000	-	60,000	-
<b>Total loans to related parties</b>			<b>90,000</b>	<b>165,000</b>	<b>255,700</b>	<b>339,500</b>

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

<i>Loans to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	174,500	163,000
Increase	-	-	1,000	29,500
Decrease	-	-	(9,800)	(18,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>165,700</b>	<b>174,500</b>
<b>Associates</b>				
At 1 January	75,000	30,000	75,000	30,000
Increase	-	45,000	-	45,000
Decrease	(75,000)	-	(75,000)	-
<b>At 31 December</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>
<b>Other related parties</b>				
At 1 January	90,000	90,000	90,000	90,000
Decrease	(60,000)	-	(60,000)	-
<b>At 31 December</b>	<b>30,000</b>	<b>90,000</b>	<b>30,000</b>	<b>90,000</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

<i>Loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Total short-term loans</b>				
At 1 January	165,000	120,000	339,500	283,000
Increase	-	45,000	1,000	74,500
Decrease	(135,000)	-	(144,800)	(18,000)
<b>At 31 December</b>	<b>30,000</b>	<b>165,000</b>	<b>195,700</b>	<b>339,500</b>

**Long-term loan**

**Associates**

At 1 January	-	-	-	-
Increase	60,000	-	60,000	-
<b>At 31 December</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>-</b>

**Trade accounts payable from related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	10,621	12,359
Associates	27,490	36,602	27,467	36,602
Other related parties	1,131,124	1,132,977	1,129,442	1,131,558
<b>Total</b>	<b>1,158,614</b>	<b>1,169,579</b>	<b>1,167,530</b>	<b>1,180,519</b>

**Other accounts payable from related parties**

Subsidiaries	-	-	49	-
Associates	779	864	779	864
Other related parties	80,639	55,280	80,639	54,568
<b>Total</b>	<b>81,418</b>	<b>56,144</b>	<b>81,467</b>	<b>55,432</b>

**Short-term borrowing from related party**

	<b>Interest rate</b>		<b>Consolidated</b>		<b>Separate</b>	
	2017	2016	<b>financial statements</b>		<b>financial statements</b>	
	<i>(% per annum)</i>		2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
<b>Short-term borrowing</b>						
Related party	4.00	4.00	10,000	10,000	-	-

Movements during the years ended 31 December 2017 and 2016 of short-term borrowing from related party were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Other related party</b>				
At 1 January	10,000	-	-	-
Increase	-	10,000	-	-
<b>At 31 December</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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*Other commitments*

	<b>Consolidated and separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<b>Guarantees for related parties</b>	<b><u>330,080</u></b>	<b><u>259,174</u></b>

*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 1.62 million per month, agreements had periods of 1-27 year and will be expired in 2027.

**6 Cash and cash equivalent**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	4,024	7,229	3,906	5,071
Cash at banks-current accounts	131,194	148,896	108,752	135,855
Cash at banks-saving accounts	117,000	47,490	104,192	47,490
Highly liquid short-term investment	655,703	968,224	655,703	968,224
Others	3,180	3,650	3,180	3,650
<b>Cash and cash equivalents in the statement of financial position and statement of cash flows</b>	<b><u>911,101</u></b>	<b><u>1,175,489</u></b>	<b><u>875,733</u></b>	<b><u>1,160,290</u></b>

As at 31 December 2017, The Company has fixed deposit receipt with maturity period less than 3 months issued by financial institutions in amounting to Baht 659 million with interest rates between 0.9-1.5% per annum (2016: 1.3-1.5% 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	897,913	1,173,214	875,353	1,160,056
America (USD)	12,595	-	-	-
Euro (EUR)	444	2,112	231	71
Others	149	163	149	163
<b>Total</b>	<b><u>911,101</u></b>	<b><u>1,175,489</u></b>	<b><u>875,733</u></b>	<b><u>1,160,290</u></b>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**7 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	110,766	101,933	125,795	112,144
Other parties		1,831,144	1,495,203	1,810,352	1,474,652
<b>Total</b>		<b>1,941,910</b>	<b>1,597,136</b>	<b>1,936,147</b>	<b>1,586,796</b>
Less allowance for doubtful accounts		(27,534)	(46,324)	(27,423)	(46,231)
<b>Net</b>		<b>1,914,376</b>	<b>1,550,812</b>	<b>1,908,724</b>	<b>1,540,565</b>
<b>Bad and doubtful debts expense for the year</b>		<b>12,663</b>	<b>21,603</b>	<b>12,551</b>	<b>21,655</b>
<b>Reversal of bad debt for the year</b>		<b>(18,809)</b>	<b>(2,819)</b>	<b>(18,809)</b>	<b>(2,920)</b>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	92,595	56,614	99,038	55,920
Overdue:				
Less than 1 months	9,680	17,495	9,680	17,495
1-3 months	314	20,064	314	20,064
4-12 months	1,849	267	1,849	267
Over 12 months	6,328	7,493	14,914	18,398
	<b>110,766</b>	<b>101,933</b>	<b>125,795</b>	<b>112,144</b>
Less allowance for doubtful accounts	(6,555)	(7,881)	(6,907)	(7,881)
	<b>104,211</b>	<b>94,052</b>	<b>118,888</b>	<b>104,263</b>
<b>Other parties</b>				
Within credit terms	1,713,962	1,397,067	1,693,771	1,379,045
Overdue:				
Less than 1 months	77,658	63,264	77,658	63,264
1-3 months	17,674	4,053	17,668	2,485
4-12 months	13,475	14,856	13,473	14,602
Over 12 months	8,374	15,963	7,782	15,256
	<b>1,831,143</b>	<b>1,495,203</b>	<b>1,810,352</b>	<b>1,474,652</b>
Less allowance for doubtful accounts	(20,978)	(38,443)	(20,516)	(38,350)
	<b>1,810,165</b>	<b>1,456,760</b>	<b>1,789,836</b>	<b>1,436,302</b>
<b>Net</b>	<b>1,914,376</b>	<b>1,550,812</b>	<b>1,908,724</b>	<b>1,540,565</b>

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 2017 and 2016 were denominated entirely in Thai Baht.

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
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**8 Loans**

	Note	Interest rate		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016	2017	2016
		(% per annum)		(in thousand Baht)			
<b>Short-term loans</b>							
Related parties	5	1.50-4.37	1.45-6.52	30,000	165,000	195,700	339,500
Other party		-	-	69,979	69,979	69,979	69,979
<b>Total</b>				<b>99,979</b>	<b>234,979</b>	<b>265,679</b>	<b>409,479</b>
Less allowance for doubtful accounts				(69,979)	(69,979)	(69,979)	(69,979)
<b>Net</b>				<b>30,000</b>	<b>165,000</b>	<b>195,700</b>	<b>339,500</b>
<b>Long-term loan</b>							
Related party	5	6.03-6.27	-	60,000	-	60,000	-
<b>Net</b>				<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>-</b>

The Group's and the Company's short-term loans as at 31 December 2017 and 2016 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 remain outstanding balance of Baht 69.98 million was completely set up allowance of doubtful.

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**9 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	1,242,568	1,231,870	1,221,629	1,185,639
Consignment goods	2,163,163	2,452,415	2,161,916	2,450,840
Work in process	3,790	3,385	-	-
Raw material	49,172	57,843	-	-
Goods in transit	75,662	77,154	75,661	76,594
Less allowance for decline in value	(120,737)	(148,123)	(65,602)	(80,679)
	<b>3,413,618</b>	<b>3,674,544</b>	<b>3,393,604</b>	<b>3,632,394</b>
Real estate awaiting for sale - Condominium	13,175	13,175	13,175	13,175
<b>Total</b>	<b>3,426,793</b>	<b>3,687,719</b>	<b>3,406,779</b>	<b>3,645,569</b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,888,502	7,749,937	7,715,533	7,595,930
- Write-down to net realisable value	24,819	116,663	24,819	116,663
- Reversal of write-down	(52,205)	(15,599)	(39,896)	(3)
<b>Net</b>	<b>7,861,116</b>	<b>7,851,001</b>	<b>7,700,456</b>	<b>7,712,590</b>

**10 Real estate projects under development**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Land and development costs of projects for sale	39,479	47,892	-	-
Show houses	4,424	4,551	-	-
Construction in progress	113,857	118,585	-	-
<b>Total</b>	<b>157,760</b>	<b>171,028</b>	<b>-</b>	<b>-</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
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**11 Available for sale investments**

	<b>Consolidated and Separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<i>Available-for-sale investments</i>		
Equity securities available for sale	<b><u>9,068,042</u></b>	<b><u>6,586,035</u></b>

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

	<b>Consolidated and separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<i>Available-for-sale investments</i>		
At 1 January	6,586,035	5,515,594
Acquisitions/additional investment	-	64,164
Disposal	(21,645)	-
Reversal allowance for decline in value of investments	-	52,682
Valuation adjustment	<u>2,503,652</u>	<u>953,595</u>
<b>At 31 December</b>	<b><u>9,068,042</u></b>	<b><u>6,586,035</u></b>

The Company's available-for-sale investments as at 31 December 2017 and 2016, all investments are publicly listed which is listed on the Stock Exchange of Thailand.

**12 Investments in subsidiaries**

		<b>Consolidated and separate financial statements</b>	
	<i>Note</i>	2017	2016
		<i>(in thousand Baht)</i>	
At 1 January		55,791	141,525
Acquisitions/additional investment	4	7,351	-
Reclassification of investment	13	6,475	-
Allowance for impairment		(5,792)	(85,734)
<b>At 31 December</b>		<b><u>63,825</u></b>	<b><u>55,791</u></b>

***Additional in Canchana International Co., Ltd.***

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.

**I.C.C. International Public Company Limited and its subsidiaries**  
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Investments in subsidiaries as at 31 December 2017 and 2016 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	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		<i>(in thousand Baht)</i>											
WBRE Co., Ltd.	Property Development	99.9	99.9	50,000	50,000	49,999	49,999	-	-	49,999	49,999	-	-
Amis Du Monde SARL	Trading	81.9	81.9	52,785	52,785	40,957	40,957	(40,957)	(35,165)	-	5,792	-	-
Canchana International Co., Ltd.	Distributing	60.0	-	16,300	-	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)	-	-	-	-
<b>Total</b>				<b>184,883</b>	<b>171,057</b>	<b>184,883</b>	<b>171,057</b>	<b>(121,058)</b>	<b>(115,266)</b>	<b>63,825</b>	<b>55,791</b>	<b>-</b>	<b>-</b>

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.

In the fourth quarter of 2016, Amis Du Monde SARL has plan to dissolve. As a result, the Company had set up an allowance for impairment amounting to Baht 35 million. In 2017, the Company had set up allowance for impairment amounting to Baht 6 million which made it 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	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<b>Associates</b>					
At 1 January		695,811	412,614	585,117	407,559
Share of net profits of associates		28,730	51,132	-	-
Share of other comprehensive income of associates - net of tax		536	-	-	-
Acquisitions/additional investments		137,985	46,575	137,985	46,575
Dividend		(20,920)	(11,400)	-	-
Reclassification of investment	12	(14,631)	196,983	(6,475)	196,983
Allowance for impairment		-	-	(80,891)	(66,000)
Currency transaction differences		(605)	(93)	-	-
<b>At 31 December</b>		<b>826,906</b>	<b>695,811</b>	<b>635,736</b>	<b>585,117</b>

*Acquisitions/additional investments*

On 26 February 2016, 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 first additional paid-up of 25% of authorised share capital, bringing the Company's ownership remain the same.

On 4 April 2016, the Company made an additional investment in Shop Global (Thailand) Co., Ltd. of Baht 29.70 million (1.80 million shares, Baht 16.50 per share) which a such associate company called for additional paid-up of 16.50% of authorised share capital, bringing the Company's ownership remain the same.

On 22 April 2016, the board of director meeting of the Company, the directors approved the acquisition of an additional of the common shares 0.40 million shares, in 10.50%, amounting of Baht 102.28 million of Thai Secom Security Co., Ltd. (Rename from Thai Secom Pitakkij Co., Ltd.) is incorporated in Thailand, its common shares amounting of Baht 378,933,800 (Separate to common share 3,788,572 shares and preferred share 766 shares at Baht 100 par value). On 17 May 2016, the Company made an additional investment in Thai Secom Security Co., Ltd., this result the shareholding increased from 15.00% to 25.50%, totalling amount of Baht 196.83 million and have represent in the board of director, that result the Company has significant influence over Thai Secom Security Co., Ltd. Thereby, ceased to be other investment and became an associated company.

On 28 March 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 the second additional paid-up of 25% of authorised share capital, bringing the Company's ownership remain the same.

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 such associate company called for additional paid-up of 40% of authorised share capital, bringing the Company's ownership remain the same.

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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 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.

**I.C.C. International Public Company Limited and its subsidiaries**  
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Investments in associates as at 31 December 2017 and 2016, 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	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>Associates</i>																
Nanan Cambo Solution Co., Ltd.	Investing in property	Cambodia	49.00	49.00	12,960	12,960	6,475	6,475	-	-	6,475	6,475	6,289	6,826	-	-
Canchana International Co., Ltd.	Trading	Cambodia	-	40.00	-	16,202	-	6,475	-	-	-	6,475	-	14,631	-	-
Boon Capital Holding Co., Ltd.	Investment	Thai	32.00	32.00	343,000	270,000	109,760	86,400	-	-	109,760	86,400	109,777	86,231	-	-
SHOP Global (Thailand) Co., Ltd.	TV Shopping	Thai	30.00	30.00	630,000	600,000	189,000	180,000	(146,891)	(66,000)	42,109	114,000	42,111	57,169	-	-
International Leather Fashion Co., Ltd.	Leather shoes	Thai	28.00	28.00	50,000	50,000	21,728	21,728	-	-	21,728	21,728	40,979	39,607	1,400	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	232,933	223,684	18,522	-
Issara United Co., Ltd.	Property Development	Thai	25.00	25.00	300,000	80,000	74,999	20,000	-	-	74,999	20,000	199,445	130,419	998	10,000
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	112,939	100,354	-	-
Issara United Development Co., Ltd.	Hotel	Thai	25.00	25.00	360,000	157,500	90,000	39,374	-	-	90,000	39,374	82,433	36,890	-	-
<b>Net</b>					<b>782,627</b>	<b>651,117</b>	<b>90,000</b>	<b>39,374</b>	<b>(146,891)</b>	<b>(66,000)</b>	<b>635,736</b>	<b>585,117</b>	<b>826,906</b>	<b>695,811</b>	<b>20,920</b>	<b>11,400</b>

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:

	<b>Immaterial Associates</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associates	826,906	695,811
Group's share of:		
- Profit from continuing operations	28,731	51,132
- Other comprehensive income	536	-
<b>Group's share of profit from continuing operations</b>	<b><u>29,267</u></b>	<b><u>51,132</u></b>

**14 Other long-term investments**

	<b>Consolidated</b>		<b>Separate financial</b>	
	<b>financial statements</b>		<b>statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Other long-term investments</i></b>				
Other non-marketable equity securities	2,282,452	2,079,456	2,276,152	2,073,156
Other debt securities held to maturity	418,691	20,000	418,691	20,000
<b>Total</b>	<b><u>2,701,143</u></b>	<b><u>2,099,456</u></b>	<b><u>2,694,843</u></b>	<b><u>2,093,156</u></b>
<i>Less allowance for impairment</i>	(440,086)	(413,855)	(434,875)	(408,644)
<b>Net</b>	<b><u>2,261,057</u></b>	<b><u>1,685,601</u></b>	<b><u>2,259,968</u></b>	<b><u>1,684,512</u></b>

*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.

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**15 Investment properties**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January	1,201,794	1,219,373	1,291,200	1,308,779
Additions	55,538	2,421	55,538	2,421
Transfers from Property, plant and equipment	7,758	-	7,758	-
Disposals	(1,752)	(20,000)	(1,752)	(20,000)
<b>At 31 December</b>	<b><u>1,263,338</u></b>	<b><u>1,201,794</u></b>	<b><u>1,352,744</u></b>	<b><u>1,291,200</u></b>
<b>Depreciation</b>				
At 1 January	(111,623)	(122,113)	(131,432)	(140,609)
Depreciation charge for the year	(9,208)	(7,170)	(10,521)	(8,483)
Disposals	-	17,660	-	17,660
<b>At 31 December</b>	<b><u>(120,831)</u></b>	<b><u>(111,623)</u></b>	<b><u>(141,953)</u></b>	<b><u>(131,432)</u></b>
<b>Impairment losses</b>				
At 1 January	(110,740)	(161,069)	(110,740)	(161,069)
Reversal of impairment losses	-	50,329	-	50,329
<b>At 31 December</b>	<b><u>(110,740)</u></b>	<b><u>(110,740)</u></b>	<b><u>(110,740)</u></b>	<b><u>(110,740)</u></b>
<b>Net book value</b>				
At 1 January	<b><u>979,431</u></b>	<b><u>936,191</u></b>	<b><u>1,049,028</u></b>	<b><u>1,007,101</u></b>
At 31 December	<b><u>1,031,767</u></b>	<b><u>979,431</u></b>	<b><u>1,100,051</u></b>	<b><u>1,049,028</u></b>

As at 31 December 2017 and 2016, 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 (2016: 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.

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

### Notes to the financial statements

For the year ended 31 December 2017

#### 16 Property, plant and equipment

<i>Cost</i>	Consolidated financial statements						Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Assets under construction and installation	
At 1 January 2016	1,892,657	790,484	971,220	1,010,030	79,062	39,022	4,782,475
Additions	62,076	12,666	163,094	57,529	10,595	62,745	368,705
Transfers	10,076	-	13,921	36,605	-	(61,309)	(707)
Disposals	-	-	(20,056)	(6,717)	(8,781)	-	(35,554)
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,964,809</b>	<b>803,150</b>	<b>1,128,179</b>	<b>1,097,447</b>	<b>80,876</b>	<b>40,458</b>	<b>5,114,919</b>
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)
<b>At 31 December 2017</b>	<b>1,988,357</b>	<b>838,288</b>	<b>1,216,863</b>	<b>1,198,113</b>	<b>70,401</b>	<b>40,069</b>	<b>5,352,091</b>

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

### Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements						Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
<b>Depreciation</b>							
At 1 January 2016	-	(572,652)	(732,960)	(787,992)	(65,795)	-	(2,159,399)
Depreciation charge for the year	-	(15,122)	(74,077)	(80,138)	(9,494)	-	(178,831)
Transfers from investment properties	-	(1,313)	-	-	(548)	-	(1,861)
Disposals	-	-	20,036	6,699	8,781	-	35,516
<b>At 31 December 2016 and 1 January 2017</b>	-	<b>(589,087)</b>	<b>(787,001)</b>	<b>(861,431)</b>	<b>(67,056)</b>	-	<b>(2,304,575)</b>
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
<b>At 31 December 2017</b>	-	<b>(599,802)</b>	<b>(870,995)</b>	<b>(940,822)</b>	<b>(66,301)</b>	-	<b>(2,477,920)</b>
<b>Net book value - owned assets</b>							
At 1 January 2016	<b>1,892,657</b>	<b>217,832</b>	<b>238,260</b>	<b>222,038</b>	<b>13,267</b>	<b>39,022</b>	<b>2,623,076</b>
At 31 December 2016 and 1 January 2017	<b>1,964,809</b>	<b>214,063</b>	<b>341,178</b>	<b>236,016</b>	<b>13,820</b>	<b>40,458</b>	<b>2,810,344</b>
At 31 December 2017	<b>1,988,357</b>	<b>238,486</b>	<b>345,868</b>	<b>257,291</b>	<b>4,100</b>	<b>40,069</b>	<b>2,874,171</b>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 1,718 million (2016: Baht 1,808 million).

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

### Notes to the financial statements

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	Separate financial statements						Total
	Land	Buildings and improvements	Office equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Assets under construction and installation	
<b>Cost</b>							
At 1 January 2016	1,829,517	764,218	897,428	996,133	73,484	39,022	4,599,802
Additions	62,076	12,328	160,971	56,080	9,211	62,745	363,411
Transfers	10,076	-	13,921	36,605	-	(61,309)	(707)
Disposals	-	-	(8,236)	(35)	(7,783)	-	(16,054)
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,901,669</b>	<b>776,546</b>	<b>1,064,084</b>	<b>1,088,783</b>	<b>74,912</b>	<b>40,458</b>	<b>4,946,452</b>
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)
<b>At 31 December 2017</b>	<b>1,925,217</b>	<b>806,237</b>	<b>1,153,416</b>	<b>1,188,904</b>	<b>63,873</b>	<b>40,068</b>	<b>5,177,715</b>
<b>Depreciation</b>							
At 1 January 2016	-	(554,156)	(669,281)	(775,072)	(62,837)	-	(2,061,346)
Depreciation charge for the year	-	(15,108)	(72,662)	(77,236)	(9,001)	-	(174,007)
Disposals	-	-	8,221	35	7,783	-	16,039
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>(569,264)</b>	<b>(733,722)</b>	<b>(852,273)</b>	<b>(64,055)</b>	<b>-</b>	<b>(2,219,314)</b>
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
<b>At 31 December 2017</b>	<b>-</b>	<b>(577,061)</b>	<b>(818,065)</b>	<b>(929,082)</b>	<b>(61,738)</b>	<b>-</b>	<b>(2,385,946)</b>
<b>Net book value-owned assets</b>							
At 1 January 2016	1,829,517	210,062	228,147	221,061	10,647	39,022	2,538,456
At 31 December 2016 and 1 January 2017	1,901,669	207,282	330,362	236,510	10,857	40,458	2,727,138
At 31 December 2017	1,925,217	229,176	335,351	259,822	2,135	40,068	2,791,769

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 1,668 million (2016: Baht 1,758 million).

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**17 Goodwill**

	<b>Consolidated financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
<b>At 1 January and at 31 December</b>	<u>-</u>	<u><b>66,410</b></u>
<i>Impairment losses</i>		
<b>At 1 January and at 31 December</b>	<u>-</u>	<u><b>(66,410)</b></u>
<i>Net book value</i>		
<b>At 1 January</b>	<u>-</u>	<u><b>66,410</b></u>
<b>At 31 December</b>	<u>-</u>	<u>-</u>

During the year 2015, the Group acquired the additional ordinary shares of Thai Itokin Co., Ltd. that resulted in the Group obtaining a controlling interest which is accounted for as a step acquisition resulting in the recording of goodwill of Baht 66.41 million.

Then the year 2016, the group tested the recoverable amount of this cash generating units was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of Thai Itokin Co., Ltd. amounting to Baht 66.41 million. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used (see note 2(d)(ii)). The carrying amount of the Cash generating units was determined to be higher than its recoverable amount and an impairment loss of Baht 66.41 million was recognized in administrative expense in 2016.

The key assumptions used in the estimation of the recoverable amount are set out below.

	<b>Consolidated financial statements</b>	
	2016	
	(%)	
Discount rate		13.45
Terminal value growth rate		5.0 - 7.0
Budgeted EBIT growth rate		(1.2) - (0.1)

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The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate was a pre-tax measure based on MLR interest rate of 4 financial institutions in Thailand and the rate of 30-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific cash generating unit.

Five years of cash flows were included in the discounted cash flow model. The terminal growth rate was determined based on average revenue growth over the past 2 years and gradually declining until the 5-year. Budgeted EBIT was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Expenditure was also based on expectations of future outcomes taking into account past experience, and the variation was determined unequally based on the type of the expenditure.

**18 Other non-current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Intangible assets	31,795	23,890	23,055	14,375
Leasehold	18,642	23,223	18,642	23,223
Deposits and guarantees	177,553	177,295	176,986	176,797
Loan to employees and others	2,259	1,392	2,259	1,392
Other	22,105	22,544	12,082	15,745
<b>Total</b>	<b>252,354</b>	<b>248,344</b>	<b>233,024</b>	<b>231,532</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2017**

**Intangible assets**

	<b>Consolidated financial statements</b>				Total
	Trademarks	License data base of customer	Software Licenses	Software under development	
	<i>(in thousand Baht)</i>				
<b>Cost</b>					
At 1 January 2016	31,899	7,955	10,493	3,372	53,719
Additions	616	-	1,717	345	2,678
Transfers from Property, plant and equipment	-	-	707	-	707
<b>At 31 December 2016 and 1 January 2017</b>	<b>32,515</b>	<b>7,955</b>	<b>12,917</b>	<b>3,717</b>	<b>57,104</b>
Additions	392	-	7,498	440	8,330
Transfers from Property, plant and equipment	396	-	2,785	-	3,181
<b>At 31 December 2017</b>	<b>33,303</b>	<b>7,955</b>	<b>23,200</b>	<b>4,157</b>	<b>68,615</b>
<b>Amortisation</b>					
At 1 January 2016	(21,984)	(4,249)	(3,951)	-	(30,184)
Amortisation for the year	(809)	(787)	(1,434)	-	(3,030)
<b>At 31 December 2016 and 1 January 2017</b>	<b>(22,793)</b>	<b>(5,036)</b>	<b>(5,385)</b>	<b>-</b>	<b>(33,214)</b>
Amortisation for the year	(868)	(803)	(1,368)	(567)	(3,606)
<b>At 31 December 2017</b>	<b>(23,661)</b>	<b>(5,839)</b>	<b>(6,753)</b>	<b>(567)</b>	<b>(36,820)</b>
<b>Net book value</b>					
At 1 January 2016	<u>9,915</u>	<u>3,706</u>	<u>6,542</u>	<u>3,372</u>	<u>23,535</u>
At 31 December 2016 and 1 January 2017	<u>9,722</u>	<u>2,919</u>	<u>7,532</u>	<u>3,717</u>	<u>23,890</u>
At 31 December 2017	<u>9,642</u>	<u>2,116</u>	<u>16,447</u>	<u>3,590</u>	<u>31,795</u>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

	<b>Separate financial statements</b>				Total
	Trademarks	License data base of customer	Software Licenses	Software under development	
	<i>(in thousand Baht)</i>				
<b>Cost</b>					
At 1 January 2016	22,966	7,845	4,967	3,372	39,150
Additions	617	-	1,710	-	2,327
Transfers from Property, plant and equipment	-	-	707	-	707
<b>At 31 December 2016 and 1 January 2017</b>	<b>23,583</b>	<b>7,845</b>	<b>7,384</b>	<b>3,372</b>	<b>42,184</b>
Additions	392	-	7,498	440	8,330
Transfers from Property, plant and equipment	396	-	2,785	-	3,181
<b>At 31 December 2017</b>	<b>24,371</b>	<b>7,845</b>	<b>17,667</b>	<b>3,812</b>	<b>53,695</b>
<b>Amortisation</b>					
At 1 January 2016	(21,312)	(4,247)	(231)	-	(25,790)
Amortisation for the year	(809)	(788)	(422)	-	(2,019)
<b>At 31 December 2016 and 1 January 2017</b>	<b>(22,121)</b>	<b>(5,035)</b>	<b>(653)</b>	<b>-</b>	<b>(27,809)</b>
Amortisation for the year	(868)	(803)	(1,160)	-	(2,831)
<b>At 31 December 2017</b>	<b>(22,989)</b>	<b>(5,838)</b>	<b>(1,813)</b>	<b>-</b>	<b>(30,640)</b>
<b>Net book value</b>					
At 1 January 2016	<u>1,654</u>	<u>3,598</u>	<u>4,736</u>	<u>3,372</u>	<u>13,360</u>
At 31 December 2016 and 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	<u>1,382</u>	<u>2,007</u>	<u>15,854</u>	<u>3,812</u>	<u>23,055</u>

**I.C.C. International Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
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**Leasehold**

	<b>Consolidated and separate financial statements</b>			
	Land	Building (in thousand Baht)	Building space in the shopping center	Total
<b>Cost</b>				
At 1 January 2016	17,397	37,108	117,470	171,975
Additions	-	-	-	-
<b>At 31 December 2016 and 1 January 2017</b>	<b>17,397</b>	<b>37,108</b>	<b>117,470</b>	<b>171,975</b>
Additions	-	-	-	-
<b>At 31 December 2017</b>	<b>17,397</b>	<b>37,108</b>	<b>117,470</b>	<b>171,975</b>
<b>Amortisation</b>				
At 1 January 2016	(16,671)	(31,213)	(96,159)	(144,043)
Amortisation for the year	(232)	(1,306)	(3,171)	(4,709)
<b>At 31 December 2016 and 1 January 2017</b>	<b>(16,903)</b>	<b>(32,519)</b>	<b>(99,330)</b>	<b>(148,752)</b>
Amortisation for the year	(154)	(1,304)	(3,123)	(4,581)
<b>At 31 December 2017</b>	<b>(17,057)</b>	<b>(33,823)</b>	<b>(102,453)</b>	<b>(153,333)</b>
<b>Net book value</b>				
At 1 January 2016	<u>726</u>	<u>5,895</u>	<u>21,311</u>	<u>27,932</u>
At 31 December 2016 and 1 January 2017	<u>494</u>	<u>4,589</u>	<u>18,140</u>	<u>23,223</u>
At 31 December 2017	<u>340</u>	<u>3,285</u>	<u>15,017</u>	<u>18,642</u>

**19 Deferred tax**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Deferred tax assets	726,942	727,111	726,942	727,111
Deferred tax liabilities	(1,461,392)	(959,516)	(1,459,011)	(957,135)
<b>Net</b>	<b><u>(734,450)</u></b>	<b><u>(232,405)</u></b>	<b><u>(732,069)</u></b>	<b><u>(230,024)</u></b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2017	Consolidated financial statements (Charged) / Credited to:			At 31 December 2017
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Equity	
<b><i>Deferred tax assets</i></b>					
Trade 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
<b>Total</b>	<b>727,111</b>	<b>(169)</b>	<b>-</b>	<b>-</b>	<b>726,942</b>
<b><i>Deferred tax liabilities</i></b>					
Marketable securities	(950,339)	-	(500,730)	-	(1,451,069)
Property, plant and equipment	(7,344)	(1,146)	-	-	(8,490)
Intangible assets	(1,833)	-	-	-	(1,833)
<b>Total</b>	<b>(959,516)</b>	<b>(1,146)</b>	<b>(500,730)</b>	<b>-</b>	<b>(1,461,392)</b>
<b>Net</b>	<b>(232,405)</b>	<b>(1,315)</b>	<b>(500,730)</b>	<b>-</b>	<b>(734,450)</b>
	At 1 January 2017	Separate financial statements (Charged) / Credited to:			At 31 December 2017
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Equity	
<b><i>Deferred tax assets</i></b>					
Trade 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
<b>Total</b>	<b>727,111</b>	<b>(169)</b>	<b>-</b>	<b>-</b>	<b>726,942</b>
<b><i>Deferred tax liabilities</i></b>					
Marketable securities	(950,339)	-	(500,730)	-	(1,451,069)
Property, plant and equipment	(6,796)	(1,146)	-	-	(7,942)
<b>Total</b>	<b>(957,135)</b>	<b>(1,146)</b>	<b>(530,730)</b>	<b>-</b>	<b>(1,459,011)</b>
<b>Net</b>	<b>(230,024)</b>	<b>(1,315)</b>	<b>(500,730)</b>	<b>-</b>	<b>(732,069)</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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	<b>Consolidated financial statements</b>				<b>At 31 December 2016</b>
	<b>At 1 January 2016</b>	<b>(Charged) / Credited to:</b>			
		Profit or loss	Other comprehensive income	Equity	
		<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>					
Trade accounts receivable	5,940	3,306	-	-	9,246
Inventories	5,543	10,593	-	-	16,136
Gross profit for consignment goods	485,974	(17,509)	-	-	468,465
Other long-term investments	73,536	12,718	-	-	86,254
Investment properties	32,214	(10,066)	-	-	22,148
Property, plant and equipment	44,350	(18,153)	-	-	26,197
Employee benefit obligation	89,376	9,289	-	-	98,665
<b>Total</b>	<b>736,933</b>	<b>(9,822)</b>	<b>-</b>	<b>-</b>	<b>727,111</b>
<b><i>Deferred tax liabilities</i></b>					
Marketable securities	(759,620)	-	(190,719)	-	(950,339)
Property, plant and equipment	(6,199)	(1,145)	-	-	(7,344)
Intangible assets	(1,833)	-	-	-	(1,833)
<b>Total</b>	<b>(767,652)</b>	<b>(1,145)</b>	<b>(190,719)</b>	<b>-</b>	<b>(959,516)</b>
<b>Net</b>	<b>(30,719)</b>	<b>(10,967)</b>	<b>(190,719)</b>	<b>-</b>	<b>(232,405)</b>
<b>Separate financial statements</b>					
	<b>(Charged) / Credited to:</b>				<b>At 31 December 2016</b>
	<b>At 1 January 2016</b>	Profit or loss	Other comprehensive income	Equity	
		<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>					
Trade accounts receivable	5,940	3,306	-	-	9,246
Inventories	5,543	10,593	-	-	16,136
Gross profit for consignment goods	485,974	(17,509)	-	-	468,465
Other long-term investments	73,536	12,718	-	-	86,254
Investment properties	32,214	(10,066)	-	-	22,148
Property, plant and equipment	44,350	(18,153)	-	-	26,197
Employee benefit obligation	89,376	9,289	-	-	98,665
<b>Total</b>	<b>736,933</b>	<b>(9,822)</b>	<b>-</b>	<b>-</b>	<b>727,111</b>
<b><i>Deferred tax liabilities</i></b>					
Marketable securities	(759,620)	-	(190,719)	-	(950,339)
Property, plant and equipment	(5,651)	(1,145)	-	-	(6,796)
<b>Total</b>	<b>(765,271)</b>	<b>(1,145)</b>	<b>(190,719)</b>	<b>-</b>	<b>(957,135)</b>
<b>Net</b>	<b>(28,338)</b>	<b>(10,967)</b>	<b>(190,719)</b>	<b>-</b>	<b>(230,024)</b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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In 2017, the Group's subsidiaries, Thai Itokin Co., Ltd., incurred a tax loss of Baht 4.13 million, increasing cumulative tax losses to Baht 61.71 million (2016: Baht 57.58 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.

**20 Interest-bearing liabilities**

As at 31 December 2017, the Group had unsecured short-term loan with a financial institution in amounting to Baht 20 million (2016: Baht 10 million) and had short-term loan with related party in amounting to Baht 10 million (2016: Baht 10 million). This loan bears interest rate of MLR-0.25% and 4% per annum (2016: 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 2017 was denominated entirely in Thai Baht.

**21 Trade accounts payable**

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	1,158,614	1,169,579	1,167,530	1,180,519
Other parties		152,836	158,765	106,541	104,884
<b>Total</b>		<b><u>1,311,450</u></b>	<b><u>1,328,344</u></b>	<b><u>1,274,071</u></b>	<b><u>1,285,403</u></b>

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,238,472	1,260,720	1,216,866	1,221,469
United States Dollars (USD)	61,602	62,387	54,910	62,387
Euro (EUR)	9,081	3,690	-	-
Japanese Yen (JPY)	1,351	1,547	1,351	1,547
China Yuan (CNY)	944	-	944	-
<b>Total</b>	<b><u>1,311,450</u></b>	<b><u>1,328,344</u></b>	<b><u>1,274,071</u></b>	<b><u>1,285,403</u></b>

**I.C.C. International Public Company Limited and its subsidiaries**  
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**22 Provision for employee benefits**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Statement of financial position provisions for:</b>				
Defined benefit plan	<u>577,738</u>	<u>532,586</u>	<u>537,303</u>	<u>493,324</u>
<i>For the year ended 31 December</i>				
<b>Statement of comprehensive income: Recognised in profit or loss:</b>				
Defined benefit plan	<u>72,913</u>	<u>67,485</u>	<u>68,509</u>	<u>63,058</u>
<b>Recognised in other comprehensive income:</b>				
Actuarial gain recognised in the year	<u>-</u>	<u>-</u>	<u>-</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.

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

Movement in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	532,586	482,043	493,324	446,879
<b>Include in profit or loss:</b>				
Current service costs	60,032	54,401	56,542	50,843
Interest on obligation	12,881	13,084	11,967	12,215
<b>Others</b>				
Benefits paid by the plan	<u>(27,761)</u>	<u>(16,942)</u>	<u>(24,530)</u>	<u>(16,613)</u>
<b>At 31 December</b>	<u><b>577,738</b></u>	<u><b>532,586</b></u>	<u><b>537,303</b></u>	<u><b>493,324</b></u>



**I.C.C. International Public Company Limited and its subsidiaries**  
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**23 Share capital**

	Par value per share (in Baht)	2017		2016	
		Number (thousand shares)	Baht (thousand Baht)	Number (thousand shares)	Baht (thousand Baht)
<b><i>Authorised</i></b>					
At 1 January					
- ordinary shares	1	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<b>At 31 December</b>					
- ordinary shares	1	<u><b>500,000</b></u>	<u><b>500,000</b></u>	<u><b>500,000</b></u>	<u><b>500,000</b></u>
<b><i>Issued and paid-up</i></b>					
At 1 January					
- ordinary shares	1	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>	<u>290,634</u>
<b>At 31 December</b>					
- ordinary shares	1	<u><b>290,634</b></u>	<u><b>290,634</b></u>	<u><b>290,634</b></u>	<u><b>290,634</b></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.

**I.C.C. International Public Company Limited and its subsidiaries**  
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**24 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.

**I.C.C. International Public Company Limited and its subsidiaries**  
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**25 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	
<i>For the year ended 31 December</i>	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from sale of goods	1,274	1,300	4,574	4,488	3,235	3,368	9,083	9,156	3,486	3,587	12,569	12,743	(122)	(128)	12,447	12,615
Segment operating profit	122	172	439	621	298	380	859	1,173	27	76	886	1,249	(37)	3	849	1,252
Other income															1,010	799
Unallocated expenses															(955)	(1,071)
Share of profit of equity-accounted investees																
Profit before tax															29	51
															933	1,031

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.

**I.C.C. International Public Company Limited and its subsidiaries**  
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**26 Distribution costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Distribution	1,309,464	1,258,065	1,302,359	1,252,135
Personnel	1,255,549	1,251,901	1,252,812	1,249,351
Marketing	513,106	382,377	506,779	381,976
<b>Total</b>	<b><u>3,078,119</u></b>	<b><u>2,892,343</u></b>	<b><u>3,061,950</u></b>	<b><u>2,883,462</u></b>

**27 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel	982,896	981,793	931,397	934,387
Office management	629,097	708,210	699,546	786,974
<b>Total</b>	<b><u>1,611,993</u></b>	<b><u>1,690,003</u></b>	<b><u>1,630,943</u></b>	<b><u>1,721,361</u></b>

**28 Employee benefit expense**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Wages and salaries	2,087,144	2,076,032	1,956,966	1,973,608
Defined benefit plans	72,913	67,485	68,509	63,058
Defined contribution plans	31,247	26,669	26,843	25,106
Others	87,707	85,971	89,093	86,469
<b>Total</b>	<b><u>2,279,011</u></b>	<b><u>2,256,157</u></b>	<b><u>2,141,411</u></b>	<b><u>2,148,241</u></b>

*Defined benefit plans*

Details of the defined benefit plans are given in note 22.

*Defined contribution plans*

The defined contribution plans comprise provident funds 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 funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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**29 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:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Purchase of finished goods		7,435,098	7,484,028	7,444,520	7,586,569
Changes in inventories of finished goods		264,302	181,249	255,936	126,021
Employee benefit expenses	28	2,279,011	2,256,157	2,141,411	2,148,241
Advertising costs and promotional expenses		1,132,017	881,068	1,123,080	881,171
Rental and service expenses		416,401	397,358	412,374	393,704
Depreciation and amortisation expenses	15, 16, 18	231,555	195,601	221,727	189,219
Transportation expenses		138,996	134,202	138,669	134,078
Royalty fee		90,012	127,802	89,306	127,032
Others		563,835	775,879	566,326	731,378
<b>Total cost of sales of goods, distribution costs and administrative expenses</b>		<b>12,551,227</b>	<b>12,433,344</b>	<b>12,393,349</b>	<b>12,317,413</b>

**30 Income tax expense**

*Income tax recognised in profit or loss*

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Current tax expense</b>					
Current year		85,174	83,169	85,127	83,169
Adjustment for prior years		-	359	-	359
		<b>85,174</b>	<b>83,528</b>	<b>85,127</b>	<b>83,528</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	19	1,315	10,967	1,315	10,967
		<b>86,489</b>	<b>94,495</b>	<b>86,442</b>	<b>94,495</b>

*Income tax recognised in other comprehensive income*

	Consolidated and separate financial statements					
	2017			2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
Available-for-sale investments	2,503,652	(500,730)	2,002,922	953,595	(190,719)	762,876
<b>Total</b>	<b>2,505,652</b>	<b>(530,730)</b>	<b>2,002,922</b>	<b>953,595</b>	<b>(190,719)</b>	<b>762,876</b>

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*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2017		2016	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		933		1,031
Income tax using the Thai corporation tax rate	20	186	20	206
Difference in effective tax rate of investment in associates		5		(10)
Income not subject to tax		(97)		(107)
Difference in tax and accounting treatment of income and expense		(8)		5
<b>Total</b>	<b>9</b>	<b>86</b>	<b>9</b>	<b>94</b>

	<b>Separate financial statements</b>			
	2017		2016	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		885		920
Income tax using the Thai corporation tax rate	20	177	20	184
Income not subject to tax		(97)		(107)
Difference in tax and accounting treatment of income and expense		6		17
<b>Total</b>	<b>10</b>	<b>86</b>	<b>10</b>	<b>94</b>

*Income tax reduction*

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

**31 Earnings per share**

*Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 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:

	<b>Consolidated financial statements</b>		<b>Separate Financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht / in thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>846,477</b>	<b>936,278</b>	<b>798,379</b>	<b>825,998</b>
<b>Number of ordinary shares outstanding</b>	<b>290,634</b>	<b>290,634</b>	<b>290,634</b>	<b>290,634</b>
<b>Basic earnings per share (in Baht)</b>	<b>2.91</b>	<b>3.22</b>	<b>2.75</b>	<b>2.84</b>

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**32 Dividends**

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.

At the annual general meeting of the shareholders of the Company held on 25 April 2016, the shareholders approved the appropriation of dividend of Baht 1.05 per share, amounting to Baht 305.17 million and general reserve 10% of income for the year 2015, amounting to Baht 67.84 million. The dividend was paid on 24 May 2016.

**33 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.

*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 2017 and 2016, the Group has reserved for doubtful accounts amounting to Baht 27.5 million and Baht 46.3 million equivalent to 1.4% and 2.9% 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.

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***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			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
<b>31 December 2017</b>					
<b><i>Non-current</i></b>					
Equity securities available for sale	9,068	9,068	-	-	9,068
Debt securities held to maturity	419	-	631	-	631
<b>31 December 2016</b>					
<b><i>Non-current</i></b>					
Equity securities available for sale	6,586	6,586	-	-	6,586
Debt securities held to maturity	20	-	21	-	21

**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

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**34 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Future minimum lease payments under non-cancellable operating leases</i></b>				
Within one year	29,227	42,630	27,397	42,630
After one year but within five years	20,736	32,574	20,599	32,574
After five years	3,784	6,328	3,784	6,328
<b>Total</b>	<b><u>53,747</u></b>	<b><u>81,532</u></b>	<b><u>51,780</u></b>	<b><u>81,532</u></b>

***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 2,200-823,438. The period of agreement lasts 1-29 years and will be expired within 2024.

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Other commitments</i></b>				
Unused letters of credit for goods	245,000	248,000	223,000	223,000
Development and construction agreements	40,986	329	-	-
Bank guarantees	32,464	14,125	24,112	3,667
Co-invest contract	-	5,000	-	5,000
Services and consulting agreements	324	775	300	550
<b>Total</b>	<b><u>318,774</u></b>	<b><u>268,229</u></b>	<b><u>247,412</u></b>	<b><u>232,217</u></b>

**35 Events after the reporting period**

At the Board of directors' meeting of the Company held on 23 February 2018, approved the appropriation of dividend from the profit for the year 2017 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 will be paid to shareholders during the year 2018.

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**36 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25 (revised 2016)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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<b>TFRS</b>	<b>Topic</b>
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's consolidated and separated financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.