

PRINCIPAL CAPITAL PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND
SEPARATE FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2018



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Principal Capital Public Company Limited

I have reviewed the interim consolidated financial information of Principal Capital Public Company Limited and its subsidiaries, and the interim separate financial information of Principal Capital Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2018, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Chan Chai', is written over a light blue horizontal line.

Chanchai Chaiprasit
Certified Public Accountant (Thailand) No. 3760
Bangkok
14 August 2018

Principal Capital Public Company Limited
Statement of Financial Position
As at 30 June 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Assets					
Current assets					
Cash and cash equivalents		281,529,708	371,921,850	37,186,277	71,737,713
Short-term investments	8	41,420,123	647,919,870	-	46,530,623
Restricted deposits at					
financial institutions - current	13	6,430,950	5,445,500	5,000,000	5,000,000
Trade and other receivables, net	9	242,945,039	199,956,312	38,865,194	13,374,941
Short-term loan to subsidiaries	23c	-	-	304,569,983	101,749,298
Inventories, net	10	46,000,973	49,984,106	7,614,333	308,496
Work in progress under service contracts	11	7,016,455	12,936,775	-	-
Other current assets	12	91,648,261	85,286,168	8,045,892	6,340,616
Total current assets		716,991,509	1,373,450,581	401,281,679	245,041,687
Non-current assets					
Restricted deposits at					
financial institutions	13	12,614,591	13,600,041	-	-
Investments in subsidiaries	14	-	-	8,013,253,520	8,013,253,520
Long-term investments		330,000	-	330,000	-
Investment property, net	15	2,743,233,605	2,754,025,972	-	-
Property, plant and equipment, net	16	8,468,602,303	7,187,429,719	2,549,876,279	1,366,438,105
Intangible assets, net		74,186,668	77,062,177	3,265,859	3,817,000
Leasehold rights		25,221,690	22,422,640	-	-
Goodwill		1,648,636,237	1,648,636,237	-	-
Deferred tax assets		3,999,060	5,300,619	-	2,468,204
Other non-current assets		9,189,357	6,284,550	6,957,981	4,341,465
Total non-current assets		12,986,013,511	11,714,761,955	10,573,683,639	9,390,318,294
Total assets		13,703,005,020	13,088,212,536	10,974,965,318	9,635,359,981

Director _____ Director _____

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts from a financial institution	18	-	1,448,274	-	-
Short-term borrowings from financial institutions	18	1,028,294,164	30,000,000	998,294,164	-
Trade and other payables	17	345,721,072	1,370,899,979	67,086,529	1,053,985,213
Advances received from customers - current		31,920,544	23,706,911	14,795,502	4,077,969
Short-term borrowings from related parties	18, 23d	452,384,747	445,618,548	522,331,842	-
Current portion of finance lease liabilities	18	8,282,760	8,705,655	215,805	-
Current portion of long-term borrowings from financial institutions	18	158,024,003	138,198,557	5,784,814	-
Income tax payable		16,078,723	71,778,855	-	-
Deposits received from customers - current		32,011,838	49,053,678	8,804,096	29,075,977
Other current liabilities	19	59,319,456	75,597,790	3,392,606	4,871,180
Total current liabilities		2,132,037,307	2,215,008,247	1,620,705,358	1,092,010,339
Non-current liabilities					
Finance lease liabilities	18	8,041,697	11,057,063	439,926	-
Long-term borrowings from financial institutions	18	1,681,534,242	1,102,412,040	626,780,801	-
Advances received from customers		6,477,417	9,634,810	-	-
Deposits received from customers		18,901,458	19,675,786	-	-
Long-term promissory notes from a related party	18, 23e	525,900,018	521,469,771	525,900,018	521,469,771
Deferred tax liabilities		338,453,434	171,398,059	171,844,216	-
Employee benefit obligations		82,376,128	71,012,437	18,425,490	12,680,791
Other non-current liabilities	20	43,427,662	42,443,180	13,699,039	27,620,190
Total non-current liabilities		2,705,112,056	1,949,103,146	1,357,089,490	561,770,752
Total liabilities		4,837,149,363	4,164,111,393	2,977,794,848	1,653,781,091

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2018

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
3,240,638,433 ordinary shares				
at a par value of Baht 1 each	<u>3,240,638,433</u>	<u>3,240,638,433</u>	<u>3,240,638,433</u>	<u>3,240,638,433</u>
Issued and paid-up share capital				
3,240,087,520 paid-up ordinary shares				
at a par value of Baht 1 each	3,240,087,520	3,240,087,520	3,240,087,520	3,240,087,520
Premium on paid-up share capital	4,476,767,055	4,476,767,055	4,476,767,055	4,476,767,055
Retained earnings (deficits)				
Appropriated - legal reserve	44,199,790	44,199,790	44,199,790	44,199,790
Unappropriated	(320,374,470)	(278,895,727)	236,116,105	220,524,525
Other components of equity	<u>764,129,669</u>	<u>764,129,669</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent	<u>8,204,809,564</u>	<u>8,246,288,307</u>	<u>7,997,170,470</u>	<u>7,981,578,890</u>
Non-controlling interests	<u>661,046,093</u>	<u>677,812,836</u>	<u>-</u>	<u>-</u>
Total equity	<u>8,865,855,657</u>	<u>8,924,101,143</u>	<u>7,997,170,470</u>	<u>7,981,578,890</u>
Total liabilities and equity	<u>13,703,005,020</u>	<u>13,088,212,536</u>	<u>10,974,965,318</u>	<u>9,635,359,981</u>

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018 Baht	Restated	Unaudited 2018 Baht	Unaudited 2017 Baht
			Unaudited 2017 Baht		
Revenue from sales and services	6	658,900,883	499,066,437	128,463,959	67,146,876
Cost of sales and services		(472,737,261)	(404,572,979)	(92,952,312)	(33,363,941)
Gross profit		186,163,622	94,493,458	35,511,647	33,782,935
Other income	22	8,644,729	122,919,712	3,067,321	123,212,765
Selling expenses		(14,047,150)	(10,779,360)	(4,432,120)	(3,274,349)
Administrative expenses		(192,228,569)	(250,633,679)	(48,519,546)	(50,827,118)
Other expenses		(3,859,582)	(3,450,179)	-	-
Finance costs		(35,538,582)	(19,488,635)	(22,286,316)	(2,227,361)
Profit (loss) before income tax		(50,865,532)	(66,938,683)	(36,659,014)	100,666,872
Income tax (expense) income		(11,347,706)	(143,656,056)	1,484,869	(7,722,918)
Profit (loss) for the period		(62,213,238)	(210,594,739)	(35,174,145)	92,943,954
Other comprehensive income		-	-	-	-
Total comprehensive income (expense) for the period		(62,213,238)	(210,594,739)	(35,174,145)	92,943,954
Profit (loss) attributable to:					
Owner of the parent		(62,713,765)	(180,309,175)	(35,174,145)	92,943,954
Non-controlling interests		500,527	(30,285,564)	-	-
		(62,213,238)	(210,594,739)	(35,174,145)	92,943,954
Total comprehensive income (expense) attributable to:					
Owner of the parent		(62,713,765)	(180,309,175)	(35,174,145)	92,943,954
Non-controlling interests		500,527	(30,285,564)	-	-
		(62,213,238)	(210,594,739)	(35,174,145)	92,943,954
Earnings (loss) per share					
Basic earnings (loss) per share		(0.020)	(0.055)	(0.011)	0.029

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited 2018 Baht	Restated Unaudited 2017 Baht	Unaudited 2018 Baht	Unaudited 2017 Baht
Revenue from sales and services	6	1,299,690,366	1,013,771,881	224,780,821	138,957,516
Cost of sales and services		(967,349,486)	(796,738,356)	(150,016,096)	(66,867,301)
Gross profit		332,340,880	217,033,525	74,764,725	72,090,215
Other income	22	18,544,375	133,732,250	5,251,939	131,130,501
Gain on bargain purchase	21	82,544,015	-	82,544,015	-
Selling expenses		(29,740,504)	(19,267,736)	(8,751,229)	(6,040,847)
Administrative expenses		(360,668,741)	(383,440,823)	(112,076,817)	(78,700,870)
Other expenses		(7,461,476)	(6,589,049)	-	-
Finance costs		(54,270,390)	(35,282,850)	(28,416,967)	(4,430,246)
Profit (loss) before income tax		(18,711,841)	(93,814,683)	13,315,666	114,048,753
Income tax (expense) income		(15,933,645)	(145,674,818)	2,275,914	(7,879,724)
Profit (loss) for the period		(34,645,486)	(239,489,501)	15,591,580	106,169,029
Other comprehensive income		-	-	-	-
Total comprehensive income (expense) for the period		(34,645,486)	(239,489,501)	15,591,580	106,169,029
Profit (loss) attributable to:					
Owner of the parent		(41,478,743)	(204,698,447)	15,591,580	106,169,029
Non-controlling interests		6,833,257	(34,791,054)	-	-
		(34,645,486)	(239,489,501)	15,591,580	106,169,029
Total comprehensive income (expense) attributable to:					
Owner of the parent		(41,478,743)	(204,698,447)	15,591,580	106,169,029
Non-controlling interests		6,833,257	(34,791,054)	-	-
		(34,645,486)	(239,489,501)	15,591,580	106,169,029
Earnings (loss) per share					
Basic earnings (loss) per share		(0.013)	(0.063)	0.005	0.033

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2018

	Consolidated financial information (Unaudited)									
	Attributable to owners of the parent					Other components				
	Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Retained earnings (deficits)		Difference arising from business combination under common control	Total owners of the parent	Non-controlling interests	Total equity	
				Baht	Baht					
Opening balance as at 1 January 2017	3,240,087,520	4,476,767,055	39,379,215	69,102,185	-	7,825,335,975	3,470,332,940	11,295,668,915		
Proceeds from ordinary shares issued of a subsidiary	-	-	-	-	-	-	34,811,750	34,811,750		
Dividends paid	-	-	-	(34)	-	(34)	(28,400,000)	(28,400,034)		
Total comprehensive expense for the period	-	-	-	(204,698,447)	-	(204,698,447)	(34,791,054)	(239,489,501)		
Closing balance as at 30 June 2017	<u>3,240,087,520</u>	<u>4,476,767,055</u>	<u>39,379,215</u>	<u>(135,596,296)</u>	<u>-</u>	<u>7,620,637,494</u>	<u>3,441,953,636</u>	<u>11,062,591,130</u>		
Opening balance as at 1 January 2018	3,240,087,520	4,476,767,055	44,199,790	(278,895,727)	764,129,669	8,246,288,307	677,812,836	8,924,101,143		
Dividends paid	-	-	-	-	-	-	(23,600,000)	(23,600,000)		
Total comprehensive expense for the period	-	-	-	(41,478,743)	-	(41,478,743)	6,833,257	(34,645,486)		
Closing balance as at 30 June 2018	<u>3,240,087,520</u>	<u>4,476,767,055</u>	<u>44,199,790</u>	<u>(320,374,470)</u>	<u>764,129,669</u>	<u>8,204,809,564</u>	<u>661,046,093</u>	<u>8,865,855,657</u>		

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Changes in Equity (Cont'd)
For the six-month period ended 30 June 2018

	Separate financial information (Unaudited)					
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unappropriated Baht	Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht		
Opening balance as at 1 January 2017	3,240,087,520	4,476,767,055	39,379,215	128,973,942	7,885,207,732	
Total comprehensive income for the period	-	-	-	106,169,029	106,169,029	
Closing balance as at 30 June 2017	3,240,087,520	4,476,767,055	39,379,215	235,142,971	7,991,376,761	
Opening balance as at 1 January 2018	3,240,087,520	4,476,767,055	44,199,790	220,524,525	7,981,578,890	
Total comprehensive income for the period	-	-	-	15,591,580	15,591,580	
Closing balance as at 30 June 2018	3,240,087,520	4,476,767,055	44,199,790	236,116,105	7,997,170,470	

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2018

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Restated	Unaudited	Unaudited
Notes	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit (loss) before income tax	(18,711,841)	(93,814,683)	13,315,666	114,048,753
Adjustments for:				
Depreciation and amortisation	202,955,759	181,855,214	36,687,328	22,833,513
Allowance for (reversal of)				
- doubtful accounts -				
trade and other receivables	100,791	(7,752,633)	(322,057)	27,862
- obsolete inventories	264,998	-	-	-
Realised gains on disposals of				
trading securities	8, 22 (1,145,198)	(159,934)	(28,978)	-
Unrealised gains on changes in				
fair values of trading securities	8, 22 (178,711)	(997,560)	-	(258,669)
Gain on bargain purchase	21 (82,544,015)	-	(82,544,015)	-
Gains on disposals of				
investment property	22 (122,250)	(104,400,000)	-	-
Gains on disposals of equipment	22 (63,658)	(100,433)	(43,561)	-
Loss on write-offs of equipment	318,000	273,664	-	-
Employee benefit expenses	8,771,264	2,457,682	2,805,430	1,780,626
Dividend income	-	(4,399,978)	-	-
Interest income	22 (864,480)	(1,584,177)	(3,047,034)	(12,953,117)
Finance costs	54,270,390	35,282,850	28,416,967	4,430,246
Profit (loss) from operating activities before				
changes in operating assets and liabilities	163,051,049	6,660,012	(4,760,254)	129,909,214
Trade and other receivables	(30,251,640)	31,335,961	(24,768,326)	(3,653,183)
Inventories	11,395,211	(4,583,198)	371,239	214,222
Work in progress under service contracts	5,920,320	1,997,505	-	-
Other current assets	(365,767)	12,865,115	(645,023)	(243,584)
Other non-current assets	(770,907)	(1,006,094)	(482,616)	(441,000)
Trade and other payables	(49,540,878)	3,436,993	2,883,529	32,254,341
Advances received from customers	(15,379,237)	833,137	(9,717,944)	(416,315)
Deposits received from customers	(17,816,168)	24,414,462	(20,271,881)	20,274,486
Other current liabilities	(16,278,334)	6,907,769	(1,478,574)	8,463,041
Employee benefits paid	(346,842)	-	-	-
Other non-current liabilities	984,482	(3,875,574)	(13,921,151)	(14,701,784)
Cash generated from (used in) operations	50,601,289	78,986,088	(72,791,001)	171,659,438
Interest paid	(47,458,336)	(41,056,881)	(18,786,328)	-
Income tax paid	(85,861,503)	(54,245,715)	(1,060,253)	(4,447,012)
Net cash (used in) generated from				
operating activities	(82,718,550)	(16,316,508)	(92,637,582)	167,212,426

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018 Baht	Restated Unaudited 2017 Baht	Unaudited 2018 Baht	Unaudited 2017 Baht
Cash flows from investing activities					
Proceeds from disposals of					
short-term investments	8	907,885,054	607,766,771	46,559,601	-
Purchases of short-term investments	8	(300,000,000)	(1,934,042,832)	-	-
Increase in restricted deposits					
at financial institutions		-	(740,000)	-	-
Cash received from short-term loans to					
subsidiaries		-	-	-	840,000,000
Payments for short-term loans to					
subsidiaries	23c	-	-	(200,000,000)	(1,007,000,000)
Payments for purchases of subsidiaries		(1,000,000,000)	-	(1,000,000,000)	-
Payments for entire business transfer	21	(900,000,000)	-	(900,000,000)	-
Cash received from interest income		803,214	1,436,998	226,481	15,128,320
Proceeds from disposals of					
investment property		-	2,500,000,000	-	-
Proceeds from disposals of equipment		65,607	100,500	43,607	-
Purchases of investment property		(44,301,118)	(2,232,646)	-	-
Purchases of property, plant and equipment		(231,526,177)	(455,158,500)	(35,859,024)	(5,943,109)
Purchases of intangible assets		(4,870,623)	(10,735,685)	(406,583)	-
Payments for leasehold rights		(2,799,050)	(4,756,542)	-	-
Net cash (used in) from investing activities		(1,574,743,093)	701,638,064	(2,089,435,918)	(157,814,789)
Cash flows from financing activities					
Payments for financing fee		(4,160,000)	-	(4,160,000)	-
Proceeds from borrowings					
from financial institutions	18	1,714,688,228	331,930,000	1,633,751,228	-
Repayments of borrowings					
from financial institutions	18	(114,247,296)	(853,240,000)	-	-
Proceeds from borrowings from related parties	18, 23d	-	588,000,000	518,000,000	-
Repayments of borrowings from related parties		-	(160,000,000)	-	-
Payments of finance lease liabilities		(4,163,157)	(6,617,607)	(69,164)	-
Dividends paid		(23,600,000)	(24,000,034)	-	-
Proceeds from ordinary shares issued					
of a subsidiary		-	34,811,750	-	-
Net cash from (used in) from financing activities		1,568,517,775	(89,115,891)	2,147,522,064	-
Net (decrease) increase in cash and cash equivalents					
		(88,943,868)	596,205,665	(34,551,436)	9,397,637
Cash and cash equivalents at the beginning of the period, net		370,473,576	274,100,745	71,737,713	46,974,792
Cash and cash equivalents at end of the period		281,529,708	870,306,410	37,186,277	56,372,429

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2018

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Baht	Restated Unaudited 2017 Baht	Unaudited 2018 Baht	Unaudited 2017 Baht
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and cash equivalents	281,529,708	874,556,437	37,186,277	56,372,429
Bank overdrafts from a financial institution	-	(4,250,027)	-	-
	<u>281,529,708</u>	<u>870,306,410</u>	<u>37,186,277</u>	<u>56,372,429</u>
Non-cash transactions				
Purchases of plant and equipment not yet paid for	48,875,747	16,831,367	12,375,133	360,238
Dividends payable	-	4,400,000	-	-

The accompanying notes are an integral part of this interim financial information.

1 General information

Principal Capital Public Company Limited ("The Company") is a public limited company which is listed in the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

No. 29, 23rd floor, Bangkok Business Center Building, Sukhumvit 63 Road, Klongtonnua, Wattana, Bangkok.

In addition, the Company has branches located at No. 1, Soi Suanplu, Sathorn Road, Thungmahamek, Sathorn, Bangkok, and No.35/2, Moo 12, Bangna-Trad Road, Bangkaew, Bangphli, Samut Prakan.

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 14 August 2018.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2017, except as described in Note 3.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

The Group applied the revised financial reporting standards which are effective on 1 January 2018. The management has assessed and considered that the above revised standards do not have significant impact on the Group.

The Group has not yet adopted new financial reporting standards which are effective on 1 January 2019 before the effective date.

3 New accounting policy

3.1 General investment

Investments in non-marketable equity securities are classified as general investments.

General investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the first-in, first-out method.

4 Restatements

During the period, the Group restated financial information because of business combination under common control in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions. Comparative figures have been restated as follows:

	Consolidated financial information		
	As previously reported Baht	Adjustments increase (decrease) Baht	After restated Baht
Statement of comprehensive income for the three-month period ended 30 June 2017			
Revenue from sales and services	121,090,550	377,975,887	499,066,437
Cost of sales and services	(99,629,818)	(304,943,161)	(404,572,979)
Gross profit	21,460,732	73,032,726	94,493,458
Other income	111,044,391	11,875,321	122,919,712
Selling expenses	(5,982,056)	(4,797,304)	(10,779,360)
Administrative expenses	(157,035,469)	(93,598,210)	(250,633,679)
Other expenses	-	(3,450,179)	(3,450,179)
Finance costs	(9,536,283)	(9,952,352)	(19,488,635)
Loss before income tax	(40,048,685)	(26,889,998)	(66,938,683)
Income tax expenses	(138,241,358)	(5,414,698)	(143,656,056)
Total comprehensive expense for the period	(178,290,043)	(32,304,696)	(210,594,739)
Owner of the parent	(178,290,043)	(2,019,132)	(180,309,175)
Non-controlling interests	-	(30,285,564)	(30,285,564)
Statement of comprehensive income for the six-month period ended 30 June 2017			
Revenue from sales and services	242,511,956	771,259,925	1,013,771,881
Cost of sales and services	(191,798,213)	(604,940,143)	(796,738,356)
Gross profit	50,713,743	166,319,782	217,033,525
Other income	113,012,124	20,720,126	133,732,250
Selling expenses	(9,971,435)	(9,296,301)	(19,267,736)
Administrative expenses	(202,486,905)	(180,953,918)	(383,440,823)
Other expenses	-	(6,589,049)	(6,589,049)
Finance costs	(16,844,855)	(18,437,995)	(35,282,850)
Income tax expenses	(65,577,328)	(28,237,355)	(93,814,683)
Loss before income tax	(138,583,016)	(7,091,802)	(145,674,818)
Total comprehensive expense for the period	(204,160,344)	(35,329,157)	(239,489,501)
Owner of the parent	(204,160,344)	(538,103)	(204,698,447)
Non-controlling interests	-	(34,791,054)	(34,791,054)

4 Restatements (Cont'd)

During the period, the Group restated financial information because of business combination under common control in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions. Comparative figures have been restated as follows: (Cont'd)

	Consolidated financial information		
	As previously reported Baht	Adjustments increase (decrease) Baht	After restated Baht
Statement of changes in equity for the six-month period ended 30 June 2017			
Retained earnings - unappropriated as at 1 January 2017	74,441,402	(5,339,217)	69,102,185
Total comprehensive expenses for the period - Owner of the parent	(204,160,344)	(538,103)	(204,698,447)
Retained earnings - unappropriated as at 30 June 2017	(129,718,976)	(5,877,320)	(135,596,296)
Non-controlling interests as at 1 January 2017	-	3,470,332,940	3,470,332,940
Proceeds from ordinary shares issued of a subsidiary - non-controlling interests	-	34,811,750	34,811,750
Dividends paid - non-controlling interests	-	(28,400,000)	(28,400,000)
Total comprehensive expenses for the period - non-controlling interests	-	(34,791,054)	(34,791,054)
Non-controlling interests as at 30 June 2017	-	3,441,953,636	3,441,953,636
Statement of cash flows for the six-month period ended 30 June 2017			
Cash flows from operating activities			
Loss before income tax	(65,577,328)	(28,237,355)	(93,814,683)
Adjustments for:			
Depreciation and amortisation	93,559,890	88,295,324	181,855,214
Reversal of doubtful accounts - trade and other receivables	(572,138)	(7,180,495)	(7,752,633)
Gains on disposals of equipment	-	(100,433)	(100,433)
Loss on write-offs of equipment	-	273,664	273,664
Employee benefit expenses	2,690,056	(232,374)	2,457,682
Dividend income	-	(4,399,978)	(4,399,978)
Interest income	(1,221,347)	(362,830)	(1,584,177)
Finance costs	16,844,855	18,437,995	35,282,850
Profit from operating activities before changes in operating assets and liabilities	(59,833,506)	66,493,518	6,660,012
Trade and other receivables	(8,073,922)	39,409,883	31,335,961
Inventories	214,222	(4,797,420)	(4,583,198)
Other current assets	(10,066,197)	22,931,312	12,865,115
Other non-current assets	(198,189)	(807,905)	(1,006,094)
Trade and other payables	63,986,722	(60,549,729)	3,436,993
Advances received from customers	(1,511,194)	2,344,331	833,137
Other current liabilities	14,839,891	(7,932,122)	6,907,769
Other non-current liabilities	(14,748,310)	10,872,736	(3,875,574)
Cash generated from operating activities	11,021,484	67,964,604	78,986,088
Interest paid	(21,200,233)	(19,856,648)	(41,056,881)
Income tax paid	(32,484,519)	(21,761,196)	(54,245,715)
Net cash used in operating activities	(42,663,268)	26,346,760	(16,316,508)

4 Restatements (Cont'd)

During the period, the Group restated financial information because of business combination under common control in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions. Comparative figures have been restated as follows: (Cont'd)

	Consolidated financial information		
	As previously reported Baht	Adjustments increase (decrease) Baht	After restated Baht
Statement of cash flows for the six-month period ended 30 June 2017 (Cont'd)			
Cash flows from investing activities			
Proceeds from disposals of short-term investments	605,067,418	2,699,353	607,766,771
Purchases of short-term investments	(1,933,380,079)	(662,753)	(1,934,042,832)
Increase in restricted deposits at financial institutions	60,000	(800,000)	(740,000)
Cash received from interest income	1,102,180	334,818	1,436,998
Proceeds from disposals of equipment	-	100,500	100,500
Purchases of plant and equipment	(133,038,773)	(322,119,727)	(455,158,500)
Purchases of intangible assets	-	(10,735,685)	(10,735,685)
Net cash from investing activities	1,032,821,558	(331,183,494)	701,638,064
Cash flows from financing activities			
Proceeds from borrowings from financial institutions	129,930,000	202,000,000	331,930,000
Repayments of borrowings from financial institutions	(823,560,000)	(29,680,000)	(853,240,000)
Proceeds from borrowings from related parties	-	588,000,000	588,000,000
Repayments of borrowings from related parties	-	(160,000,000)	(160,000,000)
Payments of finance lease liabilities	-	(6,617,607)	(6,617,607)
Dividends paid	(34)	(24,000,000)	(24,000,034)
Proceeds from share issuance	-	34,811,750	34,811,750
Net cash used in financing activities	(693,630,034)	604,514,143	(89,115,891)
Net increase in cash and cash equivalents	296,528,256	299,677,409	596,205,665
Cash and cash equivalents at the beginning of the period, net	118,320,104	155,780,641	274,100,745
Cash and cash equivalents at end of the period	414,848,360	455,458,050	870,306,410
Non-cash transactions			
Purchases of plant and equipment not yet paid for	1,719,140	15,112,227	16,831,367
Dividends payable	-	4,400,000	4,400,000

5 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

Principal Capital Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Executive Committee that makes strategic decisions.

Information relating to revenue and profit classified by the Group's operating segments for the three-month period ended 30 June was as follows:

	Property development and property rental business						Hospital business			Other business			Eliminations			Total			
	2018		2017		2018		2017		2018		2017		2018		2017		2018		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Revenues from sales and services																			
External customers	133.1	108.6	507.4	381.8	18.4	8.7	-	-	-	-	-	-	-	-	-	-	658.9	499.1	
Inter-segment	15.5	13.5	19.5	0.3	1.3	10.7	(24.5)	(36.3)	-	(24.5)	-	-	-	-	-	-	-	-	
Total	148.6	122.1	526.9	382.1	19.7	19.4	(24.5)	(36.3)	(24.5)	(24.5)	(24.5)	(24.5)	(24.5)	(24.5)	(24.5)	(24.5)	658.9	499.1	
Gross profit (loss)	71.6	41.2	158.7	84.3	1.0	2.7	(33.7)	(45.1)	(33.7)	(33.7)	(33.7)	(33.7)	(33.7)	(33.7)	(33.7)	(33.7)	186.2	94.5	
Selling and administrative expenses	(1,326.7)	(284.1)	(171.4)	(100.5)	(5.6)	(8.1)	(8.1)	1,297.5	131.3	(8.1)	(8.1)	(8.1)	1,297.5	131.3	(8.1)	(8.1)	(206.2)	(261.4)	
Profit (loss) before income tax expense	(1,244.2)	1,334.9	6.2	24.9	(5.4)	(5.9)	(5.9)	1,192.5	(1,420.8)	(5.9)	(5.9)	(5.9)	1,192.5	(1,420.8)	(5.9)	(5.9)	(50.9)	(66.9)	
Income tax (expense) income	(7.0)	(138.4)	(3.7)	(4.3)	-	0.1	(1.1)	(0.6)	(1.1)	0.1	0.1	(0.6)	(1.1)	(1.1)	(1.1)	(1.1)	(11.3)	(143.7)	
Profit (loss) for the period	(1,251.3)	1,196.5	2.6	20.6	(5.4)	(5.8)	(5.8)	1,191.9	(1,421.9)	(5.8)	(5.8)	(5.8)	1,191.9	(1,421.9)	(5.8)	(5.8)	(62.2)	(210.6)	
Investment property, net	2,743.2	2,785.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,743.2	2,785.3	
Property, plant and equipment, net	3,825.7	3,937.1	4,642.7	3,013.3	0.2	0.4	(2.1)	-	(2.1)	0.4	0.4	-	-	(2.1)	(2.1)	-	8,468.6	6,948.7	
Total assets	10,214.0	11,774.9	6,018.9	5,412.3	127.4	144.1	(3,124.8)	(2,657.3)	(3,124.8)	144.1	144.1	(3,124.8)	(2,657.3)	(3,124.8)	(3,124.8)	13,703.0	14,206.5		

Principal Capital Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

6 Segment reporting (Cont'd)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Executive Committee that makes strategic decisions. (Cont'd)

Information relating to revenue and profit classified by the Group's operating segments for the six-month period ended 30 June was as follows:

	Property development and property rental business						Hospital business			Other business			Eliminations			Total		
	2018		2017		2018		2017		2018		2017		2018		2017		2018	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Revenues from sales and services																		
External customers	279.2	214.2	979.1	776.1	41.4	23.5	-	-	-	-	-	-	-	-	-	-	1,299.7	1,013.8
Inter-segment	30.9	27.2	35.9	0.4	1.6	11.4	(68.4)	(39.0)	-	-	-	-	-	-	-	-	-	-
Total	310.1	241.4	1,015.0	776.5	43.0	34.9	(68.4)	(39.0)	(68.4)	(39.0)	(39.0)	(68.4)	(39.0)	(39.0)	(39.0)	(39.0)	1,299.7	1,013.8
Gross profit (loss)	136.3	85.2	283.1	185.7	(1.2)	3.3	(85.9)	(57.2)	(85.9)	(57.2)	(57.2)	(85.9)	(57.2)	(57.2)	(57.2)	(57.2)	332.3	217.0
Selling and administrative expenses	(1,413.7)	(333.7)	(285.8)	(193.1)	(12.3)	(13.5)	1,321.4	137.6	1,321.4	137.6	137.6	1,321.4	137.6	137.6	137.6	137.6	(390.4)	(402.7)
Profit (loss) before income tax expense	(1,208.3)	1,325.0	90.8	30.9	(14.7)	(11.7)	1,113.5	(1,438.0)	1,113.5	(1,438.0)	(1,438.0)	1,113.5	(1,438.0)	(1,438.0)	(1,438.0)	(1,438.0)	(18.7)	(93.8)
Income tax (expense) income	(12.1)	(138.7)	(9.5)	(9.6)	0.1	0.1	5.6	2.5	5.6	2.5	2.5	5.6	2.5	2.5	2.5	2.5	(15.9)	(145.7)
Profit (loss) for the period	(1,220.4)	1,186.3	81.3	21.3	(14.6)	(11.6)	1,119.1	(1,435.5)	1,119.1	(1,435.5)	(1,435.5)	1,119.1	(1,435.5)	(1,435.5)	(1,435.5)	(1,435.5)	(34.6)	(239.5)
Investment property, net	2,743.2	2,785.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,743.2	2,785.3
Property, plant and equipment, net	3,825.7	3,937.1	4,642.7	3,013.3	0.2	0.4	-	(2.1)	-	(2.1)	(2.1)	-	(2.1)	(2.1)	(2.1)	(2.1)	8,468.6	6,948.7
Total assets	10,214.0	11,774.9	6,018.9	5,412.3	127.4	144.1	(2,657.3)	(3,124.8)	(2,657.3)	(3,124.8)	(3,124.8)	(2,657.3)	(3,124.8)	(3,124.8)	(3,124.8)	(3,124.8)	13,703.0	14,206.5

7 Fair value

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the group's financial assets that are measured at fair value at 30 June 2018.

	Consolidated financial information (Unaudited)			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset				
Trading securities (Note 8)	39,763	-	-	39,763

The following table presents the group's financial assets that are measured at fair value at 31 December 2017.

	Consolidated financial statements (Audited)			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset				
Trading securities (Note 8)	346,324	-	-	346,324

	Separate financial statements (Audited)			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset				
Trading securities (Note 8)	46,531	-	-	46,531

There were no transfers between levels 1 and 2 during the period.

The carrying amounts of the Group's other financial assets and liabilities as at 30 June 2018 and 31 December 2017 as presented in the financial information approximated to their fair value since the interest rate approximately subjected to current market interest rate.

9 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Trade accounts receivable - third parties	156,687	131,706	17,621	6,123
<u>Less</u> Allowance for doubtful accounts	(10,246)	(8,551)	(108)	(430)
Trade accounts receivable, net	146,441	123,155	17,513	5,693
Accrued income	45,316	42,585	4,830	2
<u>Less</u> Allowance for doubtful accounts	(803)	(2,397)	-	-
Accrued income, net	44,513	40,188	4,830	2
Trade accounts receivable - related parties (Note 23b)	497	671	5,085	4,830
Unbilled contract revenue (Note 11)	22,686	16,593	-	-
Prepaid expenses	22,415	13,099	10,391	2,499
Advances	4,387	3,513	220	5
Other receivables	2,006	2,737	826	346
	242,945	199,956	38,865	13,375

Outstanding trade accounts receivable - third parties can be analysed as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Not overdue	87,159	64,005	9,294	5,870
Overdue				
Up to 3 months	45,404	51,686	7,497	253
3 - 6 months	8,747	6,541	830	-
6 - 12 months	5,200	3,395	-	-
Over 12 months	10,177	6,079	-	-
	156,687	131,706	17,621	6,123
<u>Less</u> Allowance for doubtful accounts	(10,246)	(8,551)	(108)	(430)
	146,441	123,155	17,513	5,693

9 Trade and other receivables, net (Cont'd)

Outstanding trade accounts receivable - related parties can be analysed as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Not overdue	497	671	5,085	4,830
Overdue				
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	497	671	5,085	4,830
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	497	671	5,085	4,830

10 Inventories, net

	Consolidated financial statements		Separate financial statements	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Work in progress	2,461	2,347	-	-
Medicines	27,439	31,048	4,394	-
Medical supplies	16,060	15,942	2,993	-
Products for sales	437	283	-	-
General supplies	-	414	-	-
Food and beverage	227	308	227	308
	46,624	50,342	7,614	308
<u>Less</u> Allowance for obsolete inventories	(623)	(358)	-	-
	46,001	49,984	7,614	308

11 Work in progress under service contracts

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
At 1 January	12,937	3,284	-	-
Service costs incurred during the period	1,725	16,135	-	-
Service expenses recognised during the period	(7,646)	(6,482)	-	-
At 30 June	7,016	12,937	-	-
Service costs incurred and recognised profits (less losses) to date	57,499	24,920	-	-
Less Progress billings	(34,813)	(8,327)	-	-
Unbilled contract revenue (Note 9)	22,686	16,593	-	-
Service costs incurred and recognised profits (less losses) to date	-	10,414	-	-
Less Progress billings	-	(12,754)	-	-
Advances received on service contracts	-	(2,340)	-	-

12 Other current assets

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Short-term deposits	7,796	4,576	462	627
Receivable from Revenue Department	43,892	43,159	1,771	-
Withholding tax refundable	34,195	28,199	5,242	4,182
Undued input VAT	1,191	6,361	329	1,286
Retentions receivables	2,567	2,532	-	-
Others	2,007	459	242	246
	91,648	85,286	8,046	6,341

13 Restricted deposits at a financial institution

As at 30 June 2018, the Company's restricted deposits represents fixed deposits totalling Baht 5.0 million (31 December 2017: Baht 5.0 million) pledged as collateral for letters of guarantee (Note 24).

As at 30 June 2018, the Group's restricted deposits represents saving and fixed deposits totalling Baht 19.0 million (31 December 2017: Baht 19.0 million) pledged as collateral for letters of guarantee (Note 24).

14 Investments in subsidiaries

Investments in subsidiaries as at 30 June 2018 comprised the following:

Company's name	Country of incorporation	Nature of business	Percentage of holding	
			30 June 2018 percent	31 December 2017 percent
Direct: Subsidiaries under Principal Capital Public Company Limited				
Principal Investment Co., Ltd.	Thailand	Business consultancy	99.99	99.99
Convergence Systems Co., Ltd.	Thailand	Information system implementation	99.99	99.99
Bangkok Center District Co., Ltd.	Thailand	Property development	99.99	99.99
V Brilliant Group Holding Co., Ltd.	Thailand	Property development	99.99	99.99
Principal Healthcare Co., Ltd. (formerly named "Alliance Medical Asia Company Limited")	Thailand	Investment holding and hospitals management services	99.99	99.99
Indirect: Subsidiaries under V Brilliant Group Holding Co., Ltd				
V Intelligence Co., Ltd.	Thailand	Office rental	99.99	99.99
V Residence Co., Ltd.	Thailand	Service apartment rental	99.99	99.99
V 33 Co., Ltd	Thailand	Property development	99.99	99.99
Bangkok Management Co., Ltd.	Thailand	Property development and property rental	99.99	99.99
Udon Business District Co., Ltd.	Thailand	Property development	99.99	-
Ban Chang Business District Co., Ltd.	Thailand	Property development	99.99	-
Indirect: Subsidiaries under Principal Healthcare Co., Ltd. (formerly named "Alliance Medical Asia Company Limited")				
Pitsanuloke Medical Co., Ltd.	Thailand	Hospital	60.00	60.00
Paknampo Hospital Co., Ltd.	Thailand	Hospital	90.92	90.92
Principal Healthcare-Uthai Co., Ltd.	Thailand	Hospital	99.99	-
Indirect: Subsidiaries under Pitsanuloke Medical Co., Ltd.				
Union Pichit Doctors Co., Ltd.	Thailand	Hospital	60.00	60.00
Pitsanuvej Uttaradit Hospital Co., Ltd.	Thailand	Hospital	60.00	60.00
Pitsanuvej Pattana Co., Ltd.	Thailand	Hospital	60.00	60.00
Indirect: Subsidiaries under Paknampo Hospital Co., Ltd.				
P.N.P Hospital Co., Ltd.	Thailand	Hospital	90.92	90.92

All preferred shares and ordinary shares of Principal Healthcare Co., Ltd. which held by the Company has been pledged as securities for borrowing facilities from a financial institution (Note 18).

15 Investment property, net

The movements of investment property during the six-month period ended 30 June 2018 were as follows:

	Consolidated financial information	Separate financial information
	Unaudited	Unaudited
	Thousand Baht	Thousand Baht
Opening net book amount	2,754,026	-
Additions	20,554	-
Depreciation	(31,346)	-
Closing net book amount	<u>2,743,234</u>	<u>-</u>

As at 30 June 2018, the subsidiaries has no bank overdrafts and long-term borrowings from financial institutions and already released the mortgage of investment property.

16 Property, plant and equipment, net

The movements of property, plant, and equipment during the six-month period ended 30 June 2018 were as follows:

	Consolidated financial information	Separate financial information
	Unaudited	Unaudited
	Thousand Baht	Thousand Baht
Opening net book amount	7,187,430	1,366,439
Entire business transfer		
- Property, plant and equipment (Note 21)	1,173,091	1,173,091
- Related expenses	4,533	4,533
Additions	267,732	41,544
Write-offs	(1,916)	-
Depreciation	(162,268)	(35,731)
Closing net book amount	<u>8,468,602</u>	<u>2,549,876</u>

The Company's land and buildings of net book value of Baht 1,161.7 million (31 December 2017: nil) has been pledged as securities for borrowing facilities from a financial institution (Note 18).

The Group's land and buildings of net book value of Baht 6,116.3 million (31 December 2017: Baht 5,632.4 million) has been pledged as securities for borrowing facilities from financial institutions (Note 18).

Borrowing costs totaling Baht 5.2 million (31 December 2017: Baht 15.6 million), arising from financing specifically entered into for the construction of plant and equipment of Baht 1.2 million (31 December 2017: Baht 3.6 million) and financing generally of Baht 4.0 million (31 December 2017: Baht 12.0 million), were capitalised during the year and are included in additions. A capitalisation rate of 3.47% (31 December 2017: 3.38%) was used representing actual borrowing cost of the loan used to finance construction of plant and equipment.

17 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Trade accounts payable - third parties	104,407	197,912	10,017	21,877
Trade accounts payable - related party (Note 23b)	48	-	673	52
Other payables	107,287	5,026	16,098	942
Share payables (Note 23b)	-	1,000,000	-	1,000,000
Accrued expenses	120,648	154,823	26,968	17,975
Accrued management expenses	13,331	13,139	13,331	13,139
	<u>345,721</u>	<u>1,370,900</u>	<u>67,087</u>	<u>1,053,985</u>

18 Borrowings

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Current				
Bank overdrafts from a financial institution	-	1,448	-	-
Short-term borrowings				
- Borrowings from a financial institution	1,028,294	30,000	998,294	-
Current portion of long-term borrowings				
- Borrowings from financial institutions	157,664	137,531	5,785	-
- Accrued interest expenses	360	667	-	-
- Finance lease liabilities	8,283	8,706	216	-
Short-term borrowings from related parties (Note 23d)				
- Borrowings from related parties	441,500	441,500	518,000	-
- Accrued interest expenses	10,885	4,119	4,332	-
Total current borrowings	<u>1,646,986</u>	<u>623,971</u>	<u>1,526,627</u>	<u>-</u>
Non-current				
Long-term borrowings				
- Borrowings from financial institutions	1,681,534	1,102,412	626,781	-
- Finance lease liabilities	8,042	11,057	440	-
Long-term promissory notes (Note 23e)				
- Long-term promissory notes from a related party	510,510	510,510	510,510	510,510
- Accrued interest expenses	15,390	10,960	15,390	10,960
Total non-current borrowings	<u>2,215,476</u>	<u>1,634,939</u>	<u>1,153,121</u>	<u>521,470</u>
Total borrowings	<u>3,862,462</u>	<u>2,258,910</u>	<u>2,679,748</u>	<u>521,470</u>

Borrowings from financial institutions are secured by a subsidiary's preferred shares and ordinary shares (Note 14) and land and buildings (Note 16).

18 Borrowings (Cont'd)

The movements of borrowings during the period (excluding finance lease liabilities) are analysed as follows:

	Consolidated financial information	Separate financial information
	Unaudited Thousand Baht	Unaudited Thousand Baht
Opening balance	2,239,147	521,470
Additions		
- Principal	1,714,688	2,151,751
- Interest	56,880	27,740
Repayments		
- Principal	(114,247)	-
- Interest	(47,248)	(18,786)
Financing fee	(3,760)	(3,760)
Amortisation of financing fee	677	677
Closing balance	<u>3,846,137</u>	<u>2,679,092</u>

The Group has the following undrawn committed borrowing facilities as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Floating rate				
- expiring beyond one year	<u>310,002</u>	<u>154,960</u>	<u>206,249</u>	<u>-</u>

19 Other current liabilities

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Retentions	48,211	59,284	-	-
Withholding tax payable	4,236	10,042	1,235	2,588
Payables to Revenue Department	901	1,470	172	794
Undued output VAT	3,708	2,401	1,205	1,069
Others	2,263	2,401	781	420
	<u>59,319</u>	<u>75,598</u>	<u>3,393</u>	<u>4,871</u>

20 Other non-current liabilities

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Retentions	29,992	14,823	263	-
Accrued management expense	13,436	27,620	13,436	27,620
	<u>43,428</u>	<u>42,443</u>	<u>13,699</u>	<u>27,620</u>

21 Entire business transfer

On 27 February 2018, the Company paid for an acquisition and acceptance of entire business transfer of Thai Health Maintenance Organization Co., Ltd. which is a company operating a private hospital business under the name "Piyamin Hospital" located in Samut Prakan and three Piyamin medical clinics located in Bangkok. This is to create a Hub and Spoke System for the Group's hospital business and increase potential profitability of the Group in the future.

The provisionally determined fair values of the assets and liabilities of Thai Health Maintenance Organization Co., Ltd. as at the date of acquisition are as follows:

	Thousand Baht
Total purchase consideration - cash	<u>900,000</u>
	Fair value
	Thousand Baht
Inventories	7,677
Long-term investment	330
Property, plant and equipment	1,173,091
Other non-current assets	2,134
Advances received from customers	(20,435)
Finance lease liabilities	(726)
Employee benefit obligations	(2,939)
Deferred tax liabilities	(176,588)
Net identifiable assets acquired	<u>982,544</u>
Gain from bargain purchase	(82,544)
Total	<u>900,000</u>

Net assets from the above acquisitions and acceptance of entire business transfer are stated at provisioning fair value on the date of acquisition. As at 30 June 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value of assets and liabilities will be made upon the completion of the process.

22 Other income

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Restated Unaudited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2017 Thousand Baht
	For the three-month period ended 30 June:			
Interest income	786	1,463	2,223	5,741
Realised gains on disposals of trading securities	665	147	-	-
Unrealised gains on changes in fair values of trading securities	-	708	-	128
Gains on disposals of investment property	58	104,400	-	-
Gains on disposals of equipment	64	25	44	-
Revenue from rental	500	272	378	258
Revenue from sales of foods and beverages	3,635	3,458	-	-
Revenue from shop sales	792	740	-	-
Revenue from sales of cosmetics	1,156	1,185	-	-
Revenue from commissions	-	92	34	92
Gain on foreign exchange rate	-	48	-	50
Others	989	10,382	388	116,944
	<u>8,645</u>	<u>122,920</u>	<u>3,067</u>	<u>123,213</u>
For the six-month period ended 30 June:				
Interest income	864	1,584	3,047	12,953
Realised gains on disposals of trading securities (Note 8)	1,145	160	29	-
Unrealised gains on changes in fair values of trading securities (Note 8)	179	998	-	259
Gains on disposals of investment property	122	104,400	-	-
Gains on disposals of equipment	64	100	44	-
Revenue from rental	1,315	542	675	519
Revenue from sales of foods and beverages	7,040	6,673	-	-
Revenue from shop sales	1,584	1,484	-	-
Revenue from sales of cosmetics	2,095	2,382	-	-
Revenue from laundry service	774	-	-	-
Revenue from commissions	132	204	132	204
Gain on foreign exchange rate	293	147	289	147
Others	2,937	15,058	1,036	117,049
	<u>18,544</u>	<u>133,732</u>	<u>5,252</u>	<u>131,131</u>

23 Related party transactions

The Company's shares are held by the Viddayakorn Family in the proportions of 89.2%. The remaining 10.8% of the shares are widely held.

The investments in subsidiaries are disclosed in Note 14.

The following material transactions were carried out with related parties:

a) Revenue from services, revenue from rental, interest income, rental fees and service fees

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Restated Unaudited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2017 Thousand Baht
For the three-month period ended 30 June:				
Revenue from services				
Subsidiaries	-	-	13,701	12,351
Related parties	555	15	555	15
	<u>555</u>	<u>15</u>	<u>14,256</u>	<u>12,366</u>
Revenue from rental				
Related party	<u>1,767</u>	<u>1,758</u>	-	-
Interest income				
Subsidiaries	-	-	2,015	5,630
Rental and its related service fees				
Subsidiary	-	-	1,176	1,186
Service fees				
Subsidiaries	-	-	7,382	7,345
Interest expense				
Subsidiaries	-	-	3,386	-
Related parties	13,339	2,227	8,451	2,227
	<u>13,339</u>	<u>2,227</u>	<u>11,837</u>	<u>2,227</u>

23 Related party transactions (Cont'd)

The following material transactions were carried out with related parties (Cont'd):

a) Revenue from services, revenue from rental, interest income, rental fees and service fees (Cont'd)

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Restated Unaudited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2017 Thousand Baht
For the six-month period ended 30 June:				
Revenue from services				
Subsidiaries	-	-	27,402	23,802
Related parties	1,110	930	1,110	930
	<u>1,110</u>	<u>930</u>	<u>28,512</u>	<u>24,732</u>
Revenue from rental				
Related party	<u>3,535</u>	<u>3,517</u>	-	-
Interest income				
Subsidiaries	-	-	2,821	12,731
Rental and its related service fees				
Subsidiary	-	-	2,410	2,584
Service fees				
Subsidiaries	-	-	7,527	7,490
Interest expense				
Subsidiaries	-	-	4,332	-
Related parties	17,468	4,430	10,654	4,430
	<u>17,468</u>	<u>4,430</u>	<u>14,986</u>	<u>4,430</u>

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Audited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Audited 2017 Thousand Baht
Trade account receivable				
Subsidiaries	-	-	4,887	4,340
Related parties	497	671	198	490
	<u>497</u>	<u>671</u>	<u>5,085</u>	<u>4,830</u>
Deposits				
Subsidiary	-	-	1,007	1,084

23 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Audited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Audited 2017 Thousand Baht
Trade account payable				
Subsidiaries	-	-	673	52
Related parties	48	-	-	-
	<u>48</u>	<u>-</u>	<u>673</u>	<u>52</u>
Accrued expenses				
Subsidiaries	-	-	7,271	7,260
Advances received from customers				
Related party	12,792	15,950	-	-
Share payable				
Related party	-	1,000,000	-	1,000,000

c) Short-term loans to subsidiaries

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Short-term loans to subsidiaries				
Subsidiaries	-	-	300,000	100,000
Accrued interest income				
Subsidiaries	-	-	4,570	1,749

23 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

c) Short-term loans to subsidiaries (Cont'd)

The movements in short-term loans to subsidiaries for the six-month period ended 30 June 2018 are analysed as follows:

	Consolidated financial information	Separate financial information
	Unaudited Thousand Baht	Unaudited Thousand Baht
Opening balance	-	101,749
Additions		
- Principal	-	200,000
- Interest	-	2,821
Closing balance	-	304,570

Short-term loans to subsidiaries were made on normal commercial terms and conditions. The short-term loans bear an interest rate of 12-month fixed deposit plus 1% per annum and are due within 6 months from the borrowing date.

d) Short-term borrowings from related parties

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Short-term borrowings				
Subsidiary	-	-	518,000	-
Related parties	441,500	441,500	-	-
	441,500	441,500	518,000	-
Accrued interest expenses				
Subsidiary	-	-	4,332	-
Related parties	10,885	4,119	-	-
	10,885	4,119	4,332	-

23 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

d) Short-term borrowings from related parties (Cont'd)

The movements in short-term borrowings from related parties for the six-month period ended 30 June 2018 are analysed as follows:

	Consolidated financial information	Separate financial information
	Unaudited Thousand Baht	Unaudited Thousand Baht
Opening balance	445,619	-
Additions		
- Principal	-	518,000
- Interest	6,766	4,332
Closing balance	<u>452,385</u>	<u>522,332</u>

The Company has short-term borrowings from a subsidiary which were made on normal commercial terms and conditions. The short-term borrowings bear an interest rate of 12-month fixed deposit plus 1% to 1.50% per annum and are due within 6 months from the borrowing date.

The Group has short-term borrowings from a related party which were made on normal commercial terms and conditions. The short-term borrowings bear an interest rate of 4.25% per annum and are due within 6 months from the borrowing date.

e) Long-term promissory notes from a related party

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Long-term promissory notes				
Related party	<u>510,510</u>	<u>510,510</u>	<u>510,510</u>	<u>510,510</u>
Accrued interest expenses				
Related party	<u>15,390</u>	<u>10,960</u>	<u>15,390</u>	<u>10,960</u>

The movements in long-term promissory notes from a related party for the six-month period ended 30 June 2018 are analysed as follows:

	Consolidated financial information	Separate financial information
	Unaudited Thousand Baht	Unaudited Thousand Baht
Opening balance	521,470	521,470
Additions - Interest	4,430	4,430
Closing balance	<u>525,900</u>	<u>525,900</u>

Long-term promissory notes from a related party bear an interest rate of 1.75% per annum and are due within 3 years from the borrowing date.

23 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

f) Key management compensation

Key management compensation was as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 2018 Thousand Baht	Restated Unaudited 2017 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2017 Thousand Baht
For the three-month period ended 30 June:				
Short-term employee benefits	8,858	41,194	2,361	7,684
Retirement benefits	917	2,380	603	554
	<u>9,775</u>	<u>43,574</u>	<u>2,964</u>	<u>8,238</u>
For the six-month period ended 30 June:				
Short-term employee benefits	38,421	66,159	11,854	15,546
Retirement benefits	2,701	3,969	1,205	1,109
	<u>41,122</u>	<u>70,128</u>	<u>13,059</u>	<u>16,655</u>

24 Letter of guarantees

As at 30 June 2018, the Company had letters of guarantee issued by a financial institution of Baht 10.0 million (31 December 2017: Baht 10.0 million) in respect of certain performance bonds as required in the normal course of business.

As at 30 June 2018, the Group had letters of guarantee issued by a financial institution of Baht 30.9 million (31 December 2017: Baht 29.9 million) in respect of certain performance bonds in relation to information system implementation for its customers, guaranteeing electricity usages with Metropolitan Electricity Authority and guaranteeing gasoline filling as required in the normal course of business.

25 Commitments and contingencies

25.1 Contingent liabilities

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial information is as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Plant and equipment	<u>385,076</u>	<u>44,214</u>	-	-

25 Commitments and contingencies (Cont'd)

25.2 Operating lease commitments

The Group has entered into non-cancellable lease agreement in respect of rental of land and equipment and service agreements. The lease terms are between 1 to 13 years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Not later than 1 year	42,502	22,300	8,868	6,376
Later than 1 year but not later than 5 years	28,472	25,987	2,246	1,692
Later than 5 years	9,806	10,580	-	-
	<u>80,780</u>	<u>58,867</u>	<u>11,114</u>	<u>8,068</u>

25.3 Long-term service commitments

On 24 January 2007, the Company entered into management agreements with a group company of a well-known international standard hotel chain, appointing the hotel group to manage the Company's serviced apartments. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 30 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the six-month period ended 30 June 2018 were Baht 7.9 million.

On 14 January 2016, a subsidiary entered into management agreements with a group company of a well-known international standard hotel chain, appointing the hotel group to manage a subsidiary's serviced apartments. Under the conditions of the agreements, a subsidiary has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 10 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the six-month period ended 30 June 2018 were Baht 8.4 million.