

S & J International Enterprises Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of S & J International Enterprises Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of S & J International Enterprises Public Company Limited and its subsidiaries as at 31 March 2020, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of S & J International Enterprises Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with 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 financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.



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Emphasis of Matter

I draw attention to Note 1.5 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Group for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Group for the accounting period of 2020.

I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 15 May 2020

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	31 March	31 December	31 March	31 December	
	Note	2020	2019	2019	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		259,607	127,189	171,173	51,642
Current investments - Certificates of deposits		-	4,000	-	-
Trade and other receivables	4	888,360	873,865	686,597	708,369
Short-term loans to subsidiary	3	-	-	4,000	4,000
Inventories	5	727,885	764,293	626,214	651,206
Other current financial assets		4,500	-	-	-
Other current assets		104,339	111,642	74,588	76,293
Total current assets		1,984,691	1,880,989	1,562,572	1,491,510
Non-current assets					
Other non-current financial assets	6	1,111,930	-	1,106,646	-
Available-for-sale investments		-	948,049	-	948,049
Investments in subsidiaries	7	-	-	154,903	154,903
Investments in associates	8	272,448	278,888	216,261	216,261
Investments in related companies		-	62,896	-	59,351
Investment in other company		-	5,000	-	5,000
Long-term investments - Certificates of deposits		-	3,000	-	-
Investment properties	9	90,260	88,680	90,140	88,560
Property, plant and equipment	10	1,536,191	1,575,304	937,785	954,714
Right-of-use assets	11	180,711	-	145,233	-
Intangible assets	12	33,054	32,969	26,660	27,815
Deferred tax assets	17	52,464	53,977	45,363	46,147
Other non-current assets	3	18,560	16,121	8,871	10,023
Total non-current assets		3,295,618	3,064,884	2,731,862	2,510,823
Total assets		5,280,309	4,945,873	4,294,434	4,002,333

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	31 March	31 December	31 March	31 December	
Note	2020	2019	2020	2019	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	136,767	180,073	542	-
Trade and other payables	14	462,342	498,544	395,906	448,705
Current portion of long-term lease liabilities	15	47,779	-	35,003	-
Income tax payable		48,027	26,210	42,572	26,187
Other current liabilities		15,926	17,382	10,924	13,293
Total current liabilities		710,841	722,209	484,947	488,185
Non-current liabilities					
Long-term lease liabilities, net of current portion	15	133,847	-	111,013	-
Provision for long-term employee benefits	16	179,843	178,526	143,607	142,213
Deferred tax liabilities	17	133,073	119,721	134,186	119,721
Other non-current liabilities		362	368	283	258
Total non-current liabilities		447,125	298,615	389,089	262,192
Total liabilities		1,157,966	1,020,824	874,036	750,377

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Note	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
200,000,000 ordinary shares of Baht 1 each	200,000	200,000	200,000	200,000
Issued and fully paid-up				
149,930,828 ordinary shares of Baht 1 each	149,931	149,931	149,931	149,931
Share premium	724,763	724,763	724,763	724,763
Retained earnings				
Appropriated-statutory reserve	20,000	20,000	20,000	20,000
Unappropriated	2,340,479	2,234,432	1,972,442	1,879,397
Other components of shareholders' equity	538,050	461,538	553,262	477,865
Equity attributable to owners of the Company	3,773,223	3,590,664	3,420,398	3,251,956
Non-controlling interests	349,120	334,385	-	-
Total shareholders' equity	4,122,343	3,925,049	3,420,398	3,251,956
Total liabilities and shareholders' equity	5,280,309	4,945,873	4,294,434	4,002,333

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

Directors

(Unaudited but reviewed)

S & J International Enterprises Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales		1,179,047	971,104	885,944	769,932
Dividend income		14	1,029	31,514	32,529
Other income		32,912	25,895	43,355	23,791
Total revenues		1,211,973	998,028	960,813	826,252
Expenses					
Cost of sales		813,519	745,130	615,563	582,920
Selling and distribution expenses		33,476	29,719	25,847	21,995
Administrative expenses		247,238	222,506	210,705	192,753
Loss from fair value measurement of derivatives		1,265	207	1,350	218
Total expenses		1,095,498	997,562	853,465	797,886
Profit from operating activities		116,475	466	107,348	28,366
Share of profit from investments in associates	8	25,086	14,295	-	-
Finance income		249	168	224	131
Finance cost		(2,129)	(565)	(1,133)	(98)
Profit before income tax income (expenses)		139,681	14,364	106,439	28,399
Income tax income (expenses)	17	(18,594)	3,547	(13,394)	3,576
Profit for the period		121,087	17,911	93,045	31,975
Profit attributable to:					
Equity holders of the Company		106,047	16,522	93,045	31,975
Non-controlling interests		15,040	1,389		
		121,087	17,911		
Earnings per share					
Basic earnings per share	18				
Profit attributable to equity holders of the Company		0.71	0.11	0.62	0.21

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

(Unaudited but reviewed)

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2020

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period	<u>121,087</u>	<u>17,911</u>	<u>93,045</u>	<u>31,975</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies - net of income tax	1,420	(546)	-	-
Loss on changes in value of available-for-sale investments - net of income tax	17 <u>-</u>	<u>(7,235)</u>	<u>-</u>	<u>(7,235)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>1,420</u>	<u>(7,781)</u>	<u>-</u>	<u>(7,235)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax	17 <u>(17,806)</u>	<u>-</u>	<u>(17,806)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(17,806)</u>	<u>-</u>	<u>(17,806)</u>	<u>-</u>
Other comprehensive income for the period	<u>(16,386)</u>	<u>(7,781)</u>	<u>(17,806)</u>	<u>(7,235)</u>
Total comprehensive income for the period	<u>104,701</u>	<u>10,130</u>	<u>75,239</u>	<u>24,740</u>
Total comprehensive income attributable to:				
Equity holders of the Company	89,661	8,741	<u>75,239</u>	<u>24,740</u>
Non-controlling interests	<u>15,040</u>	<u>1,389</u>		
	<u>104,701</u>	<u>10,130</u>		

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

S & J International Enterprises Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

		Consolidated financial statements									
		Equity attributable to owners of the Company									
		Other components of shareholders' equity									
		Other comprehensive income									
		Gain (loss) on investments in equity designated at fair value through other comprehensive income									
		Total equity attributable to shareholders of the Company									
		Total equity attributable to non-controlling shareholders' equity									
		Total shareholders' equity									
		Issued and paid-up share capital	Share premium	Retained earnings - Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus on changes in value of available-for-sale investments	Gain (loss) on investments in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity	Equity attributable to non-controlling interests	Total
Balance as at 1 January 2019		149,931	724,763	20,000	2,152,068	(7,950)	518,423	-	510,473	327,525	3,884,760
Profit for the period		-	-	-	16,522	(546)	(7,235)	-	(7,781)	1,389	17,911
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	(7,781)
Total comprehensive income for the period		-	-	-	16,522	(546)	(7,235)	-	(7,781)	1,389	10,130
Balance as at 31 March 2019		149,931	724,763	20,000	2,168,590	(8,496)	511,188	-	502,692	328,914	3,894,890
Balance as at 1 January 2020		149,931	724,763	20,000	2,234,432	(16,327)	477,865	-	461,538	334,385	3,925,049
Cumulative effect of change in accounting policies (Note 2)		-	-	-	-	-	(477,865)	570,763	92,898	(305)	92,593
Balance as at 1 January 2020 - as restated		149,931	724,763	20,000	2,234,432	(16,327)	-	570,763	554,436	334,080	4,017,642
Profit for the period		-	-	-	106,047	-	-	-	-	15,040	121,087
Other comprehensive income for the period		-	-	-	-	1,420	-	(17,806)	(16,386)	-	(16,386)
Total comprehensive income for the period		-	-	-	106,047	1,420	-	(17,806)	(16,386)	15,040	104,701
Balance as at 31 March 2020		149,931	724,763	20,000	2,340,479	(14,907)	-	552,957	538,050	349,120	4,122,343

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

(Unaudited but reviewed)

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up share capital	Share premium	Retained earnings - Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Other components of equity		Total	shareholders' equity	Total
						Other comprehensive income	Gain (loss) on investments in equity designated at fair value through other comprehensive income			
Balance as at 1 January 2019	149,931	724,763	20,000	1,788,681	518,423	-	-	-	-	3,201,798
Profit for the period	-	-	-	31,975	-	-	-	-	-	31,975
Other comprehensive income for the period	-	-	-	-	(7,235)	-	-	-	-	(7,235)
Total comprehensive income for the period	-	-	-	31,975	(7,235)	-	-	-	-	24,740
Balance as at 31 March 2019	149,931	724,763	20,000	1,820,656	511,188	-	-	-	-	3,226,538
Balance as at 1 January 2020	149,931	724,763	20,000	1,879,397	477,865	-	-	-	-	3,251,956
Cumulative effect of change in accounting policies (Note 2)	-	-	-	-	(477,865)	-	-	-	-	93,203
Balance as at 1 January 2020 - as restated	149,931	724,763	20,000	1,879,397	-	-	-	571,068	571,068	3,345,159
Profit for the period	-	-	-	93,045	-	-	-	-	-	93,045
Other comprehensive income for the period	-	-	-	-	-	-	-	(17,806)	(17,806)	(17,806)
Total comprehensive income for the period	-	-	-	93,045	-	-	-	(17,806)	(17,806)	75,239
Balance as at 31 March 2020	149,931	724,763	20,000	1,972,442	-	-	-	553,262	553,262	3,420,398

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

(Unaudited but reviewed)

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of cash flows

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	139,681	14,364	106,439	28,399
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	73,122	55,494	37,084	29,232
Allowance for doubtful debts	4,750	11	1,064	-
Reduction of cost of inventories to net realisable value	12,578	6,021	12,144	5,421
Gain on sales/write off of equipment	(1,023)	(1,401)	(1,020)	(751)
Provision for long-term employee benefits	4,854	7,222	3,858	7,084
Share of profit from investments in associates	(25,086)	(14,295)	-	-
Dividend received from investments	(14)	(1,029)	(31,514)	(32,529)
Unrealised gain on exchange	(8,120)	(874)	(7,483)	(923)
Interest income	(249)	(168)	(224)	(131)
Interest expenses	2,129	565	1,133	98
Profit from operating activities before changes in operating assets and liabilities	202,622	65,910	121,481	35,900
Operating assets (increase) decrease				
Trade and other receivables	(11,164)	195,015	28,356	188,692
Inventories	23,830	(19,601)	12,848	(11,749)
Other current assets	37,819	10,211	32,138	12,355
Other non-current assets	(2,439)	(1,358)	1,152	1,562
Operating liabilities increase (decrease)				
Trade and other payables	(41,240)	(121,569)	(56,223)	(107,343)
Other current liabilities	(1,381)	1,669	(2,294)	514
Provision for long-term employee benefits	(3,537)	(3,077)	(2,464)	(3,077)
Other non-current liabilities	(6)	10	25	12
Cash flows from operating activities	204,504	127,210	135,019	116,866
Cash paid for interest expenses	(1,980)	(358)	(1,133)	(81)
Cash paid for corporate income tax	(610)	(773)	(609)	(759)
Net cash flows from operating activities	201,914	126,079	133,277	116,026

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

(Unaudited but reviewed)

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Interest received	47	86	30	30
Acquisitions of property, plant and equipment	(15,453)	(31,226)	(6,557)	(6,570)
Proceeds from sales of equipment	1,025	2,235	1,022	751
Increase in intangible assets	(1,647)	(96)	(293)	(96)
Net cash flows used in investing activities	(16,028)	(29,001)	(5,798)	(5,885)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(43,306)	56,862	542	46,200
Repayment of liabilities under lease agreements	(11,608)	-	(8,490)	-
Net cash flows from (used in) financing activities	(54,914)	56,862	(7,948)	46,200
Increase (decrease) in translation adjustments	1,446	(505)	-	-
Net increase in cash and cash equivalents	132,418	153,435	119,531	156,341
Cash and cash equivalents at beginning of the period	127,189	53,015	51,642	8,375
Cash and cash equivalents at end of the period	259,607	206,450	171,173	164,716

Supplementary disclosures of cash flows information

Non-cash items

Dividend receivable	14	1,029	31,514	32,529
Increase in right-of-use from lease liabilities	35,054	-	18,094	-
Transfer property, plant and equipment to investments properties	3,276	-	3,276	-
Accounts payable - purchase of equipment	5,791	11,351	4,459	7,466
Accounts payable - purchase of intangible assets	262	-	-	-

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

S & J International Enterprises Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 Corporate information

S & J International Enterprises Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of all type of cosmetics and business of investment. The registered office of the Company is at 600/4 Moo 11, Sukapiban Road 8, Nhongkharm, Sriracha, Chonburi with 4 branches as follows:

Branch No.1 2 Naradhiwas Rajanakarindra Road, Tungwatdon, Sathorn, Bangkok

Branch No.2 19/43 Moo 7, Bangna-Trad Road Km. 17, Bangchlong, Bangplee, Samutprakan

Branch No.3 789/159 Moo 1, Sai Nongkho-Laemchabang Road, Nongkham, Sriracha, Chonburi

Branch No.4 600/23-24 Moo 11, Sukapiban Road 8, Nhongkham, Sriracha, Chonburi

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.4 Basis of consolidation

These consolidated financial statements included the financial statements of S & J International Enterprises Public Company Limited and its subsidiaries (hereinafter called “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There have been no changes in the composition of the Group, except that during the period, 4WD Vision Company Limited (a subsidiary) invested in 4WD Vision Europe B.V (“4WD (NL)”) with a registered capital of Euro 125,000 (125,000 ordinary shares of Euro 1 each). The subsidiary’s interest is 100 percent in 4WD (NL). The subsidiary paid in share capital in proportion to its interest, amounting to Euro 125,000, on 4 March 2020.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognised derivatives at their fair value on the contract data and subsequently measure them at fair value at the end of each reporting period. Change in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments - Certificates of deposits	4,000	(4,000)	-	-
Other current financial assets	-	4,000	-	4,000
Non-current assets				
Other non-current financial assets	-	1,134,688	-	1,134,688
Available-for-sale investments	948,049	(948,049)	-	-
Investments in related companies	62,896	(62,896)	-	-
Investment in other company	5,000	(5,000)	-	-
Long-term investments - Certificates of deposits	3,000	(3,000)	-	-
Right-of-use assets	-	-	158,180	158,180
Deferred tax assets	53,977	(5,101)	-	48,876
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	35,946	35,946
Non-current liabilities				
Lease liabilities, net of current portion	-	-	122,234	122,234
Deferred tax liabilities	119,721	18,049	-	137,770
Shareholders' equity				
Other components of shareholders' equity	461,538	92,898	-	554,436
Non-controlling interests	334,385	(305)	-	334,080

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Non-current assets				
Other non-current financial assets	-	1,128,904	-	1,128,904
Available-for-sale investments	948,049	(948,049)	-	-
Investments in related companies	59,351	(59,351)	-	-
Investment in other company	5,000	(5,000)	-	-
Right-of-use assets	-	-	136,412	136,412
Deferred tax assets	46,147	(4,129)	-	42,018
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	28,796	28,796
Non-current liabilities				
Lease liabilities, net of current portion	-	-	107,616	107,616
Deferred tax liabilities	119,721	19,172	-	138,893
Shareholders' equity				
Other components of shareholders' equity	477,865	93,203	-	571,068

2.1 Financial instruments

Details of the impact on the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Fair value measurement of investments in equity instruments of non-listed companies - net of income tax		
Equity holders of the Company	92,898	93,203
Non-controlling interest	(305)	-
Impacts on the adoption of financial reporting standards related to financial instruments	92,593	93,203

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	127,189	-	-	127,189	127,189
Trade and other receivables	873,865	-	-	873,865	873,865
Current investments - Certificates of deposits	4,000	-	-	-	-
Other current financial assets	-	-	-	4,000	4,000
Other current assets	111,642	1,275	-	110,367	111,642
Other non-current financial assets	-	-	1,131,688	3,000	1,134,688
Available-for-sale investments	948,049	-	-	-	-
Investments in related companies	62,896	-	-	-	-
Investments in other company	5,000	-	-	-	-
Long-term investments - Certificates of Deposits	3,000	-	-	-	-
Other non-current assets	16,121	-	-	16,121	16,121
Total financial assets	2,151,762	1,275	1,131,688	1,134,542	2,267,505

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Carrying amounts under the former basis	Separate financial statements				Total
	Classification and measurement in accordance with TFRS 9	Fair value through other comprehensive income			
		Fair value through profit or loss	Fair value through comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	51,642	-	-	51,642	51,642
Trade and other receivables	708,369	-	-	708,369	708,369
Short-term loans to related parties	4,000	-	-	4,000	4,000
Other current assets	76,293	1,275	-	75,018	76,293
Other non-current financial assets	-	-	1,128,904	-	1,128,904
Available-for-sale investments	948,049	-	-	-	-
Investments in related companies	59,351	-	-	-	-
Investments in other company	5,000	-	-	-	-
Other non-current assets	10,023	-	-	10,023	10,023
Total financial assets	1,862,727	1,275	1,128,904	849,052	1,979,231

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 0.01 million (Separate financial statements: Baht 0.01 million).

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Operating lease commitments as at 31 December 2019	84,277	76,723
Less: Short-term leases and leases of low-value assets	(265)	(265)
Add: Option to extend lease term	86,695	70,902
Less: Contracts reassessed as service agreements	(1,569)	(1,012)
Less: Deferred interest expenses	(10,958)	(9,936)
Lease liabilities as at 1 January 2020	<u>158,180</u>	<u>136,412</u>
Comprise of:		
Current lease liabilities	35,946	28,796
Non-current lease liabilities	122,234	107,616
	<u>158,180</u>	<u>136,412</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Land and land improvement	13,059	-
Buildings and building improvement	120,934	118,028
Furniture, fixtures and office equipment	3,504	3,245
Motor vehicles	20,683	15,139
Total right-of-use assets	<u>158,180</u>	<u>136,412</u>

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

(Unit: million Baht)

For the three-month periods ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Transaction with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Sales of goods	-	-	85	20
Other income	-	-	9	2
Purchases of goods and service	-	-	123	109
Other expenses	-	-	2	2
<u>Transactions with associates</u>				
Sales of goods	18	4	15	-
Rental income	8	8	8	8
Other income	1	-	1	-
<u>Transactions with related companies</u>				
Sales of goods	314	245	251	220
Other income	1	2	-	2
Purchases of goods and service	4	13	4	13
Rental expenses	3	2	3	2
Electricity and utilities expenses	32	29	14	13

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales of goods	Market price
Other income	Cost plus margin
Rental income	Contract price
Purchases of goods and services	Market price
Rental expenses	Contract price
Electricity and utilities expenses	Contract price

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2020 and 31 December 2019 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 4)</u>				
<u>Trade receivables</u>				
Subsidiaries	-	-	88,059	53,073
Associates	21,115	7,012	16,915	439
Related companies	193,472	190,824	147,831	146,613
Trade and other receivables - related parties	214,587	197,836	252,805	200,125
<u>Other receivables</u>				
Subsidiaries	-	-	27,609	23,507
Associates	463	427	463	427
Related companies	200	122	200	122
Total other receivables - related parties	663	549	28,272	24,056
Total trade and other receivables - related parties	215,250	198,385	281,077	224,181
<u>Short-term loans to subsidiary</u>				
Subsidiary	-	-	4,000	4,000
Total Short-term loans to subsidiary	-	-	4,000	4,000
<u>Other non-current assets - related parties</u>				
Related companies	6,196	7,106	4,838	5,748
Total other non-current assets - related parties	6,196	7,106	4,838	5,748
<u>Trade and other payables - related parties (Note 14)</u>				
<u>Trade payables</u>				
Subsidiaries	-	-	73,490	62,786
Associates	2	2	2	2
Related companies	2,913	1,127	2,913	1,127
Total trade payables - related parties	2,915	1,129	76,405	63,915

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Other payables				
Subsidiaries	-	-	577	705
Associates	-	196	-	185
Related companies	10,197	9,240	4,255	3,925
Total other payables - related parties	10,197	9,436	4,832	4,815
Total trade and other payables - related parties	13,112	10,565	81,237	68,730
Lease liabilities - related parties (Note 15)				
Related companies	70	-	41	-
Total lease liabilities - related parties	70	-	41	-

Short-term loans to subsidiary

During the three-month period ended 31 March 2020, movements of short-term loans to subsidiary were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	1 January 2020	during the period	during the period	31 March 2020
Short-term loans to subsidiary				
Subsidiary	4,000	-	-	4,000
Total	4,000	-	-	4,000

The above short-term loans are promissory notes carrying interest at the rate of 3.0 percent per annum (31 December 2019: 3.0 percent per annum). The loans are due at call and unsecured.

Directors and management's benefits

The Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	25,045	16,411	23,990	15,678
Total	25,045	16,411	23,990	15,678

(Unaudited but reviewed)

4. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	189,600	173,156	246,073	194,113
Past due				
Up to 3 months	21,958	21,721	6,213	4,591
3 - 6 months	1,707	585	460	213
6 - 12 months	627	1,520	12	380
Over 12 months	695	854	47	828
Total trade accounts receivable - related parties	214,587	197,836	252,805	200,125
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	446,632	431,009	301,542	314,988
Past due				
Up to 3 months	159,116	190,307	71,131	137,547
3 - 6 months	8,172	14,605	3,106	5,293
6 - 12 months	4,914	3,600	344	1,038
Over 12 months	14,009	18,718	9,986	14,871
Total	632,843	658,239	386,109	473,737
Less: Allowance for doubtful debts	(19,469)	(14,719)	(13,059)	(11,995)
Trade accounts receivable - unrelated parties, net	613,374	643,520	373,050	461,742
Total trade accounts receivable - net	827,961	841,356	625,855	661,867
<u>Other receivables</u>				
Other receivables - related parties	663	549	28,272	24,056
Other receivables - unrelated parties	9,905	2,738	7,593	2,720
Advance payment for inventories	44,801	26,053	19,863	16,267
Prepaid expenses	5,030	3,169	5,014	3,459
Total other receivables	60,399	32,509	60,742	46,502
Total trade and other receivables - net	888,360	873,865	686,597	708,369

(Unaudited but reviewed)

5. Reduce cost to net realisable value of inventories

Movement in the reduce cost to net realisable value of inventories account during the three-month period ended 31 March 2020 is summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	23,908	15,891
Reduction in cost of inventories to net realisable value	12,578	12,144
Balance as at 31 March 2020	<u>36,486</u>	<u>28,035</u>

6. Other non-current financial assets

(Unit: Thousand Baht)

	31 March 2020			
	Consolidated financial statement		Separate financial statements	
	Carrying value	Fair value	Carrying value	Fair value
Investments in equity instruments of listed companies				
Related companies	323,922	916,291	323,922	916,291
Other companies	26,797	9,501	26,797	9,501
	<u>350,719</u>	<u>925,792</u>	<u>350,719</u>	<u>925,792</u>
Add: Surplus on change in value of investments	575,073		575,073	
Total investments in equity instruments of listed companies	<u>925,792</u>		<u>925,792</u>	
Investments in equity instruments of non-listed companies				
Related companies	62,896	177,323	59,351	174,539
Other companies	5,000	6,315	5,000	6,315
	<u>67,896</u>	<u>183,638</u>	<u>64,351</u>	<u>180,854</u>
Add: Surplus on change in value of investments	115,742		116,503	
Total Investments in equity instruments of non-listed companies	<u>183,638</u>		<u>180,854</u>	
Certificates of deposits	<u>2,500</u>	<u>2,500</u>	-	-
Total Other non-current financial assets	<u>1,111,930</u>	<u>1,111,930</u>	<u>1,106,646</u>	<u>1,106,646</u>

(Unaudited but reviewed)

7. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
			%	%		(Audited)
E F Co., Ltd.	Baht 4.0 million	Baht 4.0 million	100	100	4,005	4,005
Top Trend Manufacturing Co., Ltd.	Baht 120.0 million	Baht 120.0 million	50	50	124,825	124,825
Wildlives (Thailand) Co., Ltd.	Baht 1.0 million	Baht 1.0 million	100	100	1,000	1,000
4WD Vision Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	10,000	10,000
SAAS Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	10,000	10,000
S&J International (UK) Limited	GBP 0.1 million	GBP 0.1 million	100	100	5,073	5,073
Total					154,903	154,903

During the three-month periods ended 31 March 2020 and 2019, the Company had no dividend received from its subsidiaries.

8. Investments in associates

No.	Company's name	Nature of business	Paid-up capital		Percentage of investment	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019
1.	Yamahatsu (Thailand) Co., Ltd.	Hair products	Baht 20 million	Baht 20 million	30	30
2.	Operational Energy Group Limited	Servicing to operate the power plant	Baht 30 million	Baht 30 million	30	30
3.	Atika Beauty Manufacturing Sdn. Bhd.	Manufacturing and distribute cosmetic products	RM 6 million	RM 6 million	35	35
4.	Osoth Interlaboratories Co., Ltd.	Medicine	Baht 600 million	Baht 600 million	33	33

No.	Company's name	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
		Carrying amount based on equity method	Share of profit (loss) from investments in associates during the three-month periods ended	Share of other comprehensive income from investments in associates during the three-month periods ended	Dividend received for the three-month periods ended
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
		2019	2019	2020	2019
		(Audited)		(Audited)	
1.	Yamahatsu (Thailand) Co., Ltd.	24,595	2,224	2,348	6,000
2.	Operational Energy Group Limited	50,346	19,627	17,661	13,151
3.	Atika Beauty Manufacturing Sdn. Bhd.	6,157	(882)	(839)	17,916
4.	Osoth Interlaboratories Co., Ltd.	191,350	4,117	(4,875)	201,994
Total		272,448	25,086	14,295	239,061
				(26)	(22,800)
				(546)	31,500
				6,000	31,500
				13,151	-
				17,916	-
				201,994	-
				239,061	31,500
				(22,800)	31,500
				216,261	216,261

Less: Provision for impairment loss

Total investment in associates

(Unaudited but reviewed)

9. Investment properties

Movements in investment properties account during the three-month period ended 31 March 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	88,680	88,560
Transfer from properties, plant and equipment	3,276	3,276
Depreciation for the period	(1,696)	(1,696)
Net book value as at 31 March 2020	<u>90,260</u>	<u>90,140</u>

10. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	1,575,304	954,714
Acquisitions during period - at cost	21,244	11,016
Disposal/write-off during period - net book value at disposal/write-off date	(2)	(2)
Transfer to investment properties	(3,276)	(3,276)
Depreciation for the period	(57,079)	(24,667)
Net book value as at 31 March 2020	<u>1,536,191</u>	<u>937,785</u>

11. Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020 (Note 2)	158,180	136,412
Additions during period	35,054	18,094
Amortisation for the period	(12,523)	(9,273)
Net book value as at 31 March 2020	<u>180,711</u>	<u>145,233</u>

(Unaudited but reviewed)

12. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	32,969	27,815
Acquisition during period - at cost	1,909	293
Amortisation for the period	(1,824)	(1,448)
Net book value as at 31 March 2020	33,054	26,660

13. Bank overdrafts and short-term loans from financial institutions

	Interest rate		(Unit: Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(percent per annum)	(percent per annum)	(Audited)		(Audited)	
Promissory notes	1.10 - 2.73	1.50 - 2.73	136,225	180,073	-	-
Bank overdrafts	6.50	-	542	-	542	-
Total bank overdrafts and short-term loans from financial institutions			136,767	180,073	542	-

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Audited)		(Audited)	
Trade payables - related parties	2,915	1,129	76,405	63,915
Trade payables - unrelated parties	297,434	305,186	209,222	237,885
Other payables - related parties	10,197	9,436	4,832	4,815
Other payables - unrelated parties	58,865	42,928	33,281	28,556
Accrued expenses	86,397	127,398	67,707	102,025
Payable from acquisition of assets	6,053	12,135	4,459	11,509
Accrued interest expenses	481	332	-	-
Total trade and other payables	462,342	498,544	395,906	448,705

(Unaudited but reviewed)

15. Lease liabilities

The carrying amounts of lease liabilities and the movement for the three-month period ended 31 March 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020 (Note 2)	158,180	136,412
Additions	35,054	18,094
Accretion of interest	1,415	1,133
Payments	(13,023)	(9,623)
As at 31 March 2020	181,626	146,016
Less: current portion	(47,779)	(35,003)
Lease liabilities - net of current portion	<u>133,847</u>	<u>111,013</u>

16. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits for the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	178,526	142,213
Increase during the period	4,854	3,858
Benefit paid during the period	(3,537)	(2,464)
Balance as at 31 March 2020	<u>179,843</u>	<u>143,607</u>

17. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

(Unaudited but reviewed)

Income tax expenses (income) for the three-month periods ended 31 March 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	22,427	241	16,994	64
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,833)	(3,788)	(3,600)	(3,640)
Income tax expenses (income) reported in profit or loss	18,594	(3,547)	13,394	(3,576)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
Loss on changes in value of available-for-sale investments	-	1,809	-	1,809
Loss on changes in equity designated at fair value through other comprehensive income	4,452	-	4,452	-
Total	4,452	1,809	4,452	1,809

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

(Unaudited but reviewed)

19. 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 basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group' operating segments for the three-month periods ended 31 March 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods end 31 March										Consolidated	
	Cosmetics		Packaging		Others		Total reportable segments		Adjustments and eliminations		financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sales	886	770	314	236	205	108	1,405	1,114	(226)	(143)	1,179	971
Other income	75	56	4	4	2	1	81	61	(48)	(34)	33	27
Total revenue	961	826	318	240	207	109	1,486	1,175	(274)	(177)	1,212	998
Cost of sales	(603)	(569)	(228)	(189)	(176)	(92)	(1,007)	(850)	236	143	(771)	(707)
Selling and distribution expenses	(26)	(22)	(5)	(5)	(2)	(3)	(33)	(30)	-	-	(33)	(30)
Administrative expenses	(188)	(178)	(18)	(18)	(24)	(14)	(230)	(210)	11	4	(219)	(206)
Depreciation and amortisation	(37)	(29)	(35)	(26)	(1)	-	(73)	(55)	-	-	(73)	(55)
Total expenses	(854)	(798)	(286)	(238)	(203)	(109)	(1,343)	(1,145)	247	147	(1,096)	(998)
Profit from operating activities	107	28	32	2	4	-	143	30	(27)	(30)	116	-
Share of profit from investments in associates	-	-	-	-	-	-	-	-	25	14	25	14
Finance cost	(1)	-	-	-	(1)	-	(2)	-	-	-	(2)	-
Income tax income (expenses)	(13)	4	(4)	-	(1)	-	(18)	4	-	-	(18)	4
Profit for the period	93	32	28	2	2	-	123	34	(2)	(16)	121	18

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 31 March 2020, the Group has capital commitments of approximately Baht 19 million (The Company only: Baht 7 million) (31 December 2019: Baht 14 million, the Company only: Baht 6 million), relating to construct factory and purchase machine.

20.2 Operating lease and service commitments

As at 31 March 2020, the Group has entered into several lease agreements in respect of the lease of vehicles, equipment and other service agreements. The terms of the agreements are generally 1 year to 5 years. Future minimum lease payments required under these non-cancellable operating leases and service agreements which has not recorded under liabilities in financial statements amounting to Baht 13 million (The Company only: Baht 11 million).

20.3 Guarantees

The Group has outstanding bank guarantees as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Bank guarantee for:				
Electricity use guarantees	15.4	14.6	7.1	6.3
Tax refund guarantees	5.1	4.6	5.1	4.6
Other guarantees	6.3	8.1	6.3	8.1

The guarantees in respect of certain performance bonds as required in the normal course of business.

21. Financial instruments

21.1 Assets/liabilities in foreign currency

As at 31 March 2020 and 31 December 2019, the significant outstanding balances of the Group' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
	(Audited)		(Audited)		(Audited)	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>The Company</u>						
USD	6.11	7.11	0.52	0.77	32.67	30.15
GBP	1.46	1.42	0.52	0.01	40.28	39.52
JPY	30.69	5.87	5.38	11.39	0.30	0.28
EUR	0.16	-	0.40	0.02	35.96	33.73
<u>The subsidiaries</u>						
USD	0.83	0.16	0.31	0.35	32.67	30.15
GBP	-	-	0.02	-	40.28	-
EUR	0.04	-	-	-	35.96	-
CNY	-	0.35	0.43	0.60	4.60	4.31
CHF	0.02	-	0.08	-	33.98	-

21.2 Forward exchange contracts

The Group seek to reduce the risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

Foreign exchange contracts outstanding are as summarised below.

Foreign currency	Forward amounts		Maturity date		Contractual exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)			(Baht per 1 foreign currency unit)	
<u>Sold amount</u>						
USD	1	-	September 2020 - March 2021		32.3957 - 32.7922	
GBP	-	1	September 2020 - January 2021		38.3100 - 40.1500	
JPY	38	5	September 2020 - March 2021		0.2935 - 0.3022	
					40.2290 - 40.5725	
					0.2763	

22. Event after the reporting period

On 8 April 2020, the meeting of the Company's Board of Directors passed a resolution approving the payment of interim dividends for 2019 operations and retained earnings to the Company's shareholders of Baht 1.10 per share, a total of Baht 164.92 million. The dividend will be paid in 7 May 2020 and will be recorded in the second quarter of the current year.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 May 2020.