

S & J International Enterprises Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2020

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 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 and six-month periods ended 30 June 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.

Sineenart Jirachaikhuankhan

Certified Public Accountant (Thailand) No. 6287

EY Office Limited

Bangkok: 13 August 2020

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 June	31 December	30 June	31 December	
	Note	2020	2019	2020	2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		211,100	127,189	124,773	51,642
Current investments - Certificates of deposits		-	4,000	-	-
Trade and other receivables	4	820,928	873,865	645,970	708,369
Short-term loans to subsidiary	3	-	-	4,000	4,000
Inventories	5	861,199	764,293	742,362	651,206
Other current financial assets		7,372	-	372	-
Other current assets		98,237	111,642	51,199	76,293
Total current assets		1,996,836	1,880,969	1,568,676	1,491,510
Non-current assets					
Other non-current financial assets	6	1,102,017	-	1,095,233	-
Available-for-sale investments		-	948,049	-	948,049
Investments in subsidiaries	7	-	-	154,903	154,903
Investments in associates	8	287,635	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	89,224	88,680	89,104	88,560
Property, plant and equipment	10	1,514,201	1,575,304	920,651	954,714
Right-of-use assets	11	151,218	-	131,604	-
Intangible assets	12	32,334	32,969	26,347	27,815
Deferred tax assets	17	53,274	53,977	46,274	46,147
Other non-current assets	3	8,155	16,121	6,594	10,023
Total non-current assets		3,238,058	3,054,884	2,686,971	2,510,823
Total assets		5,234,894	4,945,873	4,255,647	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 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 June	31 December	30 June	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	265,369	180,073	149,605	-
Trade and other payables	14	429,225	498,544	383,942	448,705
Current portion of long-term lease liabilities	15	47,859	-	35,033	-
Income tax payable		30,218	26,210	18,936	26,187
Other current financial liabilities		241	-	-	-
Other current liabilities		27,006	17,382	15,046	13,293
Total current liabilities		799,918	722,209	602,562	488,185
Non-current liabilities					
Long-term lease liabilities, net of current portion	15	104,487	-	97,538	-
Provision for long-term employee benefits	16	179,218	178,526	142,902	142,213
Deferred tax liabilities	17	129,855	119,721	130,978	119,721
Other non-current liabilities		464	368	385	258
Total non-current liabilities		414,024	298,615	371,803	262,192
Total liabilities		1,213,942	1,020,824	974,365	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 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	Note	2020	2019	2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
200,000,000 ordinary shares of Baht 1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
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	2,241,899	2,234,432	1,846,457	1,879,397
Other components of shareholders' equity	<u>522,472</u>	<u>461,536</u>	<u>540,131</u>	<u>477,865</u>
Equity attributable to owners of the Company	3,659,065	3,590,664	3,281,282	3,251,956
Non-controlling interests	<u>361,887</u>	<u>334,385</u>	-	-
Total shareholders' equity	<u>4,020,952</u>	<u>3,925,049</u>	<u>3,281,282</u>	<u>3,251,956</u>
Total liabilities and shareholders' equity	<u>5,234,894</u>	<u>4,945,873</u>	<u>4,255,647</u>	<u>4,002,333</u>

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 30 June 2020

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

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Revenues					
Sales		977,378	1,099,821	701,872	922,599
Dividend income		14,715	23,244	20,995	35,497
Exchange gains		-	-	-	132
Gain from fair value measurement of derivatives		123	-	447	-
Other income		18,655	27,119	20,706	23,847
Total revenues		1,010,871	1,150,184	744,020	982,075
Expenses					
Cost of sales		682,320	797,060	488,815	657,634
Selling and distribution expenses		32,051	39,137	24,584	25,333
Administrative expenses		215,932	263,200	176,757	229,092
Exchange losses		1,866	561	13,053	-
Total expenses		932,171	1,099,958	703,209	912,059
Profit from operating activities		78,700	50,226	40,811	70,016
Share of profit from investments in associates	8	15,109	6,372	-	-
Finance income		301	731	249	658
Finance cost		(1,981)	(1,173)	(1,051)	(409)
Profit before income tax expenses		92,129	56,156	39,999	70,265
Income tax expenses	17	(7,018)	(6,150)	(1,080)	(5,799)
Profit for the period		85,111	50,006	38,939	64,466
Profit attributable to:					
Equity holders of the Company		66,344	56,019	38,839	64,466
Non-controlling interests		18,767	(6,013)	-	-
		85,111	50,006		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company	18	0.44	0.37	0.26	0.43

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 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Profit for the period		<u>85,111</u>	<u>50,006</u>	<u>38,939</u>	<u>64,466</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		(2,447)	(3,445)	-	-
Loss on changes in value of available-for-sale investments - net of income tax	17	<u>-</u>	<u>(12,699)</u>	<u>-</u>	<u>(12,699)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(2,447)</u>	<u>(16,144)</u>	<u>-</u>	<u>(12,699)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	17	-	25,818	-	25,085
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax	17	<u>(13,131)</u>	<u>-</u>	<u>(13,131)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(13,131)</u>	<u>25,818</u>	<u>(13,131)</u>	<u>25,085</u>
Other comprehensive income for the period		<u>(15,578)</u>	<u>9,674</u>	<u>(13,131)</u>	<u>12,386</u>
Total comprehensive income for the period		<u><u>69,533</u></u>	<u><u>59,680</u></u>	<u><u>25,808</u></u>	<u><u>76,852</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>50,766</u>	<u>65,693</u>	<u>25,808</u>	<u>76,852</u>
Non-controlling interests		<u>18,767</u>	<u>(6,013)</u>		
		<u><u>69,533</u></u>	<u><u>59,680</u></u>		

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

S & J International Enterprises Public Company Limited and its subsidiaries

Income statement

For the six-month period ended 30 June 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Sales		2,156,425	2,070,925	1,587,816	1,692,531
Dividend income		14,729	24,273	52,509	68,026
Exchange gains		10,662	1,372	5,172	2,803
Other income		38,776	50,874	45,836	44,749
Total revenues		2,220,592	2,147,444	1,691,333	1,808,109
Expenses					
Cost of sales		1,495,839	1,542,190	1,104,378	1,240,554
Selling and distribution expenses		65,527	68,856	50,431	47,328
Administrative expenses		462,909	485,706	387,462	421,845
Loss from fair value measurement of derivatives		1,142	-	903	-
Total expenses		2,025,417	2,096,752	1,543,174	1,709,727
Profit from operating activities		195,175	50,692	148,159	98,382
Share of profit from investments in associates	8	40,195	20,667	-	-
Finance income		550	899	473	789
Finance cost		(4,110)	(1,738)	(2,194)	(507)
Profit before income tax expenses		231,810	70,520	146,438	98,664
Income tax expenses	17	(25,612)	(2,603)	(14,454)	(2,223)
Profit for the period		206,198	67,917	131,984	96,441
Profit attributable to:					
Equity holders of the Company		172,391	72,541	131,984	96,441
Non-controlling interests		33,807	(4,624)	-	-
		206,198	67,917	131,984	96,441
Earnings per share					
Basic earnings per share	18				
Profit attributable to equity holders of the Company		1.15	0.48	0.89	0.64

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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Profit for the period		<u>208,198</u>	<u>67,917</u>	<u>131,984</u>	<u>98,441</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		(1,027)	(3,991)	-	-
Loss on changes in value of available-for-sale investments - net of income tax	17	<u>-</u>	<u>(19,934)</u>	<u>-</u>	<u>(19,934)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(1,027)</u>	<u>(23,925)</u>	<u>-</u>	<u>(19,934)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	17	-	25,818	-	25,085
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax	17	<u>(30,937)</u>	<u>-</u>	<u>(30,937)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(30,937)</u>	<u>25,818</u>	<u>(30,937)</u>	<u>25,085</u>
Other comprehensive income for the period		<u>(31,964)</u>	<u>1,893</u>	<u>(30,937)</u>	<u>5,151</u>
Total comprehensive income for the period		<u><u>174,234</u></u>	<u><u>69,810</u></u>	<u><u>101,047</u></u>	<u><u>101,592</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		140,427	74,434	<u>101,047</u>	<u>101,592</u>
Non-controlling interests		<u>33,807</u>	<u>(4,624)</u>		
		<u><u>174,234</u></u>	<u><u>69,810</u></u>		

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

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
Other components of shareholders' equity											
Other comprehensive income											
Issued and paid-up share capital	Share premium	Retained earnings		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 other comprehensive income	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests	Total shareholders' equity	
		Appropriated - statutory reserve	Unappropriated								
Balance as at 1 January 2019	149,931	724,763	20,000	2,152,068	(7,950)	518,423	-	510,473	3,557,235	327,525	3,884,760
Profit for the period	-	-	-	72,541	-	-	-	-	72,541	(4,624)	67,917
Other comprehensive income for the period	-	-	-	25,818	(3,991)	(19,934)	-	(23,925)	1,893	-	1,893
Total comprehensive income for the period	-	-	-	98,359	(3,991)	(19,934)	-	(23,925)	74,434	(4,624)	69,810
Dividend paid (Note 20)	-	-	-	(188,913)	-	-	-	-	(188,913)	-	(188,913)
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(9,000)	(9,000)
Balance as at 30 June 2019	149,931	724,763	20,000	2,061,514	(11,941)	498,489	-	486,548	3,442,756	313,901	3,756,657
Balance as at 1 January 2020	149,931	724,763	20,000	2,234,432	(16,327)	477,865	-	461,538	3,590,664	334,385	3,925,049
Cumulative effect of change in accounting policies (Note 2)	-	-	-	-	-	(477,865)	570,763	92,898	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	3,683,562	334,080	4,017,642
Profit for the period	-	-	-	172,391	-	-	-	-	172,391	33,807	206,198
Other comprehensive income for the period	-	-	-	-	(1,027)	-	(30,937)	(31,964)	(31,964)	-	(31,964)
Total comprehensive income for the period	-	-	-	172,391	(1,027)	-	(30,937)	(31,964)	140,427	33,807	174,234
Dividend paid (Note 20)	-	-	-	(164,924)	-	-	-	-	(164,924)	-	(164,924)
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Balance as at 30 June 2020	149,931	724,763	20,000	2,241,890	(17,354)	-	539,826	522,472	3,659,065	361,687	4,020,952

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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income		
					in value of available-for-sale investments	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	-	-	-	96,441	-	-	96,441
Other comprehensive income for the period	-	-	-	25,085	(19,934)	-	5,151
Total comprehensive income for the period	-	-	-	121,526	(19,934)	-	101,592
Dividend paid (Note 20)	-	-	-	(188,913)	-	-	(188,913)
Balance as at 30 June 2019	149,931	724,763	20,000	1,721,294	498,489	-	3,114,477
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)	571,068	93,203
Balance as at 1 January 2020 - as restated	149,931	724,763	20,000	1,879,397	-	571,068	3,345,159
Profit for the period	-	-	-	131,984	-	-	131,984
Other comprehensive income for the period	-	-	-	-	-	(30,937)	(30,937)
Total comprehensive income for the period	-	-	-	131,984	-	(30,937)	101,047
Dividend paid (Note 20)	-	-	-	(164,924)	-	-	(164,924)
Balance as at 30 June 2020	149,931	724,763	20,000	1,846,457	-	540,131	3,281,282

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 six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	231,810	70,520	148,438	98,664
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	146,825	112,593	73,566	58,675
Allowance for doubtful debts	6,381	261	1,064	-
Reduction of cost of Inventories to net realisable value	15,786	16,740	18,193	15,539
Gain on sales/write off of equipment	(1,077)	(1,923)	(1,079)	(982)
Provision for long-term employee benefits	9,678	11,520	7,686	8,297
Share of profit from investments in associates	(40,195)	(20,667)	-	-
Dividend received from investments	(14,729)	(24,273)	(52,509)	(68,026)
Unrealised loss (gain) on exchange	5,271	(139)	5,959	(434)
Loss on diminution of investment in related companies and other companies	-	38	-	-
Allowance for impairment loss on long-term loans to other company	-	15,286	-	15,286
Interest income	(550)	(899)	(473)	(789)
Interest expenses	4,110	1,738	2,194	507
Profit from operating activities before changes				
In operating assets and liabilities	363,310	180,795	201,039	126,737
Operating assets (increase) decrease				
Trade and other receivables	41,036	11,618	55,461	(6,476)
Inventories	(112,692)	(190,102)	(109,349)	(167,007)
Other current assets	14,320	(28,865)	24,014	(12,614)
Other non-current assets	7,966	16,848	3,429	768
Operating liabilities increase (decrease)				
Trade and other payables	(75,538)	68,429	(67,864)	54,962
Other current liabilities	9,633	786	1,753	460
Provision for long-term employee benefits	(8,986)	(3,366)	(6,997)	(3,260)
Other non-current liabilities	96	16	127	9
Cash flows from (used in) operating activities	239,145	56,159	101,613	(6,421)
Cash paid for interest expenses	(4,174)	(1,586)	(2,190)	(440)
Cash paid for corporate income tax	(26,183)	(46,025)	(26,141)	(43,341)
Net cash flows from (used in) operating activities	208,788	8,548	73,282	(50,202)

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 six-month period ended 30 June 2020

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Increase in other current financial assets	(3,000)	-	-	-
Increase in other non-current financial assets	(6,000)	-	(5,000)	-
Interest received	360	728	278	608
Cash paid for investments in associates	-	(2,642)	-	(2,642)
Acquisitions of property, plant and equipment	(49,999)	(144,997)	(15,088)	(20,324)
Proceeds from sales of equipment	1,093	2,819	1,090	1,052
Increase in intangible assets	(2,798)	(2,455)	(1,444)	(239)
Increase in investment properties	-	(172)	-	(172)
Dividend received from investments	48,229	55,773	52,509	68,026
Net cash flows from (used in) investing activities	<u>(14,115)</u>	<u>(90,948)</u>	<u>32,345</u>	<u>46,309</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	87,605	342,266	149,605	240,518
Repayment of liabilities under lease agreements	(24,055)	-	(17,177)	-
Dividend paid	(164,924)	(188,913)	(164,924)	(188,913)
Dividend paid by subsidiary to non-controlling interests	(6,000)	(9,000)	-	-
Net cash flows from (used in) financing activities	<u>(107,374)</u>	<u>144,353</u>	<u>(32,486)</u>	<u>51,605</u>
Decrease in translation adjustments	(3,388)	(8,307)	-	-
Net increase in cash and cash equivalents	83,911	53,646	73,131	47,712
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	<u>211,100</u>	<u>106,661</u>	<u>124,773</u>	<u>56,087</u>

Supplementary disclosures of cash flows information

Non-cash items

Increase in right-of-use from lease liabilities	18,294	-	13,336	-
Transfer property, plant and equipment to investments properties	3,278	-	3,276	-
Accounts payable - purchase of equipment	7,331	8,888	3,914	5,162
Accounts payable - purchase of intangible assets	263	1,726	-	-
Loss from the remeasuring of investments				
in available-for-sale securities	-	(24,918)	-	(24,918)
Loss from investments in equity instruments	(38,671)	-	(38,671)	-

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 and six-month periods ended 30 June 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.

(Unaudited but reviewed)

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			
	Financial reporting standards related to financial			
	31 December 2019	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			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments		1 January 2020
			TFRS 16	
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

- a) 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

(Unaudited but reviewed)

- b) 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:

(Unit: Thousand Baht)

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
Other current financial assets	4,000	-	-	4,000	4,000
Other current assets	111,642	1,275	-	110,367	111,642
Other non-current financial assets	1,018,945	-	1,131,688	3,000	1,134,688
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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through other			Total
		Fair value through profit or loss	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	1,012,400	-	1,128,904	-	1,128,904
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 financial statements	Separate financial statements
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	158,180	136,412
Comprise of:		
Current lease liabilities	35,946	28,796
Non-current lease liabilities	122,234	107,616
	158,180	136,412

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
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	158,180	136,412

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 30 June				For the six-month periods ended 30 June			
	Consolidated		Separate		Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements
2020	2019	2020	2019	2020	2019	2020	2019	
<u>Transaction with subsidiaries</u>								
(Eliminated from the consolidated financial statements)								
Sales of goods	-	-	30	42	-	-	115	62
Other income	-	-	7	3	-	-	16	5
Purchases of goods and service	-	-	161	155	-	-	284	264
Other expenses	-	-	2	2	-	-	4	4
Rental income	-	-	-	-	-	-	-	1
<u>Transactions with associates</u>								
Sales of goods	35	6	27	1	53	10	42	1
Other income	-	-	-	-	1	-	1	-
Rental income	8	8	8	8	16	16	16	16
<u>Transactions with related companies</u>								
Sales of goods	243	268	200	234	557	513	451	454
Other income	-	1	1	1	1	3	1	3
Purchases of goods and service	4	6	4	6	8	19	8	19
Rental expenses	1	3	1	3	4	5	4	5
Electricity and utilities expenses	37	39	14	20	69	68	28	33

(Unaudited but reviewed)

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

<u>Transactions</u>	<u>Transfer pricing policy</u>
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

The balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>(Audited)</u>		<u>(Audited)</u>	
<u>Trade and other receivables - related parties (Note 4)</u>				
<u>Trade receivables</u>				
Subsidiaries	-	-	67,831	53,073
Associates	55,096	7,012	45,380	439
Related companies	155,500	190,824	117,341	146,613
Total trade and other receivables - related parties	210,596	197,836	230,552	200,125
<u>Other receivables</u>				
Subsidiaries	-	-	22,131	23,507
Associates	387	427	387	427
Related companies	220	122	220	122
Total other receivables - related parties	607	549	22,738	24,056
Total trade and other receivables - related parties	211,203	198,385	253,290	224,181
<u>Short-term loans to subsidiary</u>				
Subsidiary	-	-	4,000	4,000
Total Short-term loans to subsidiary	-	-	4,000	4,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
<u>Other non-current assets - related parties</u>				
Related companies	4,232	7,106	2,874	5,748
Total other non-current assets - related parties	4,232	7,106	2,874	5,748

Trade and other payables - related parties (Note 14)**Trade payables**

Subsidiaries	-	-	80,068	62,786
Associates	2	2	2	2
Related companies	3,810	1,127	3,810	1,127
Total trade payables - related parties	3,812	1,129	83,880	63,915

Other payables

Subsidiaries	-	-	1,035	705
Associates	-	196	-	185
Related companies	9,832	9,240	4,217	3,925
Total other payables - related parties	9,832	9,436	5,252	4,815
Total trade and other payables - related parties	13,644	10,565	89,132	68,730

Lease liabilities - related parties (Note 15)

Related companies	50,111	-	38,418	-
Total lease liabilities - related parties	50,111	-	38,418	-

Short-term loans to subsidiary

During the six-month period ended 30 June 2020, movements of short-term loans to subsidiary were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 June 2020
<u>Short-term loans to subsidiary</u>				
Subsidiary	4,000	-	-	4,000
Total	4,000	-	-	4,000

(Unaudited but reviewed)

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 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	14,108	19,625	13,791	19,312
Post-employment benefits	55	52	55	52
Total	14,163	19,677	13,846	19,364

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	39,153	36,036	37,781	34,990
Post-employment benefits	109	52	109	52
Total	39,262	36,088	37,890	35,042

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	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	149,214	173,156	146,964	194,113
Past due				
Up to 3 months	59,531	21,721	82,838	4,591
3 - 6 months	1,206	585	254	213
6 - 12 months	616	1,520	468	380
Over 12 months	29	854	28	828
Total trade accounts receivable - related parties	210,596	197,836	230,552	200,125

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	389,776	431,009	296,905	314,988
Past due				
Up to 3 months	147,489	190,307	61,706	137,547
3 - 6 months	19,881	14,605	3,983	5,293
6 - 12 months	6,168	3,600	1,551	1,038
Over 12 months	15,204	18,718	11,386	14,871
Total	578,518	658,239	375,531	473,737
Less: Allowance for doubtful debts	(21,100)	(14,719)	(13,059)	(11,995)
Trade accounts receivable - unrelated parties, net	557,418	643,520	362,472	461,742
Total trade accounts receivable - net	768,014	841,356	593,024	661,867
<u>Other receivables</u>				
Other receivables - related parties	607	549	22,738	24,056
Other receivables - unrelated parties	6,589	2,738	4,169	2,720
Advance payment for inventories	40,074	26,053	22,818	16,267
Prepaid expenses	5,644	3,169	3,221	3,459
Total other receivables	52,914	32,509	52,946	46,502
Total trade and other receivables - net	820,928	873,865	645,970	708,369

5. Reduce cost to net realisable value of inventories

Movement in the reduce cost to net realisable value of inventories account during the six-month period ended 30 June 2020 is summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	23,908	15,891
Reduction in cost of inventories to net realisable value	15,786	18,193
Balance as at 30 June 2020	39,694	34,084

(Unaudited but reviewed)

6. Other non-current financial assets

(Unit: Thousand Baht)

	30 June 2020			
	Consolidated		Separate	
	financial statement		financial statements	
	Carrying		Carrying	
	value	Fair value	value	Fair value
Investments in equity instruments of listed companies				
Related companies	323,922	899,435	323,922	899,435
Other companies	26,797	9,944	26,797	9,944
	<u>350,719</u>	<u>909,379</u>	<u>350,719</u>	<u>909,379</u>
Add: Surplus on change in value of investments	<u>558,660</u>		<u>558,660</u>	
Total investments in equity instruments of listed companies	<u>909,379</u>		<u>909,379</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	<u>115,742</u>		<u>116,503</u>	
Total investments in equity instruments of non-listed companies	<u>183,638</u>		<u>180,854</u>	
Certificates of deposits	<u>9,000</u>	<u>9,000</u>	<u>5,000</u>	<u>5,000</u>
Total Other non-current financial assets	<u>1,102,017</u>	<u>1,102,017</u>	<u>1,095,233</u>	<u>1,095,233</u>

The Company received dividends from their investments in equity instruments of listed companies and investments in equity instruments of non-listed companies for the six-month period ended 30 June 2020 amounting to Baht 14.7 million.

(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		(Unit: Thousand Baht) Dividend received for the six-month periods ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2020	2019	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	280	240
Top Trend Manufacturing Co., Ltd.	Baht 120.0 million	Baht 120.0 million	50	50	124,825	124,825	6,000	9,000
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	-	2,000
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	-	1,013
Total					<u>154,903</u>	<u>154,903</u>	<u>6,280</u>	<u>12,253</u>

(Unaudited but reviewed)

8. Investments in associates

No.	Company's name	Nature of business	Paid-up capital		Percentage of investment	
			30 June 2020	31 December 2019	30 June 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.	Manufacturing and distribute pharmaceuticals	Baht 600 million	Baht 600 million	33	33

(Unit: Thousand Baht)

No.	Company's name	Consolidated financial statements				Separate financial statements					
		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the six-month periods ended		Share of other comprehensive income from investments in associates during the six-month periods ended		Carrying amount based on cost method		Dividend received for the six-month periods ended	
		30 June 2020	31 December 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	31 December 2019	30 June 2020	30 June 2019
			(Audited)						(Audited)		
1.	Yamahatsu (Thailand) Co., Ltd.	28,611	22,371	6,240	6,340	-	-	6,000	6,000	-	-
2.	Operational Energy Group Limited	59,545	62,219	28,826	20,080	-	-	13,151	13,151	31,500	31,500
3.	Atika Beauty Manufacturing Sdn. Bhd.	5,507	7,065	(1,610)	(956)	52	(5)	17,916	17,916	-	-
4.	Osoth Interlaboratories Co., Ltd.	193,972	187,233	6,739	(4,777)	-	-	201,994	201,994	-	-
Total		287,635	278,888	40,195	20,687	52	(5)	239,061	239,061	31,500	31,500
	Less: Provision for impairment loss							(22,800)	(22,800)		
	Total investment in associates							216,261	216,261		

9. Investment properties

Movements in investment properties account during the six-month period ended 30 June 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	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	(2,732)	(2,732)
Net book value as at 30 June 2020	<u>89,224</u>	<u>89,104</u>

10. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	1,575,304	954,714
Acquisitions during period - at cost	57,330	19,002
Disposal/write-off during period - net book value at disposal/write-off date	(16)	(11)
Transfer to investment properties	(3,276)	(3,276)
Depreciation for the period	(115,141)	(49,778)
Net book value as at 30 June 2020	<u>1,514,201</u>	<u>920,651</u>

11. Right-of-use assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020 (Note 2)	158,180	136,412
Additions during period	18,294	13,336
Depreciation for the period	(25,256)	(18,144)
Net book value as at 30 June 2020	<u>151,218</u>	<u>131,604</u>

(Unaudited but reviewed)

12. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	32,969	27,815
Acquisition during period - at cost	3,061	1,444
Amortisation for the period	(3,696)	(2,912)
Net book value as at 30 June 2020	32,334	26,347

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

	(Unit: Thousand Baht)					
	Consolidated				Separate	
	Interest rate		financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(percent per annum)	(percent per annum)	(Audited)		(Audited)	
Promissory notes	0.90 - 5.25	1.50 - 2.73	264,764	180,073	149,000	-
Bank overdrafts	5.84 - 5.88	-	605	-	605	-
Total bank overdrafts and short-term loans from financial institutions			265,369	180,073	149,605	-

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Audited)		(Audited)	
Trade payables - related parties	3,812	1,129	83,880	63,915
Trade payables - unrelated parties	257,407	305,186	194,220	237,885
Other payables - related parties	9,832	9,436	5,252	4,815
Other payables - unrelated parties	50,311	42,928	20,915	28,556
Accrued expenses	100,019	127,398	75,757	102,025
Payable from acquisition of assets	7,594	12,135	3,914	11,509
Accrued interest expenses	250	332	4	-
Total trade and other payables	429,225	498,544	383,942	448,705

15. Lease liabilities

The carrying amounts of lease liabilities and the movement for the six-month period ended 30 June 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
As at 1 January 2020 (Note 2)	158,180	136,412
Additions	18,221	13,336
Accretion of interest	2,643	2,135
Payments	<u>(26,698)</u>	<u>(19,312)</u>
As at 30 June 2020	152,346	132,571
Less: current portion	<u>(47,859)</u>	<u>(35,033)</u>
Lease liabilities - net of current portion	<u>104,487</u>	<u>97,538</u>

16. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits for the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2020	178,526	142,213
Increase during the period	9,678	7,686
Benefit paid during the period	<u>(8,986)</u>	<u>(6,997)</u>
Balance as at 30 June 2020	<u>179,218</u>	<u>142,902</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 for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	7,764	11,013	1,897	9,978
Deferred tax:				
Relating to origination and reversal of temporary differences	(746)	(4,863)	(837)	(4,179)
Income tax expenses reported in profit or loss	7,018	6,150	1,060	5,799

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	30,191	11,254	18,891	10,042
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,579)	(8,651)	(4,437)	(7,819)
Income tax expenses reported in profit or loss	25,612	2,603	14,454	2,223

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
Loss on changes in value of available-for-sale investments	-	3,175	-	3,175
Loss on changes in equity designated at fair value through other comprehensive income	3,282	-	3,282	-
Actuarial gain	-	(6,454)	-	(6,271)
Total	3,282	(3,279)	3,282	(3,096)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
Loss on changes in value of				
available-for-sale investments	-	4,984	-	4,984
Loss on changes in equity				
designated at fair value through				
other comprehensive income	7,734	-	7,734	-
Actuarial gain	-	(6,454)	-	(6,271)
Total	<u>7,734</u>	<u>(1,470)</u>	<u>7,734</u>	<u>(1,287)</u>

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.

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's operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods end 30 June										Consolidated financial statements	
	Cosmetics		Packaging		Others		Total reportable segments		Adjustments and eliminations			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
Sales	702	923	338	226	159	174	1,199	1,323	(222)	(223)	977	1,100
Other income	41	59	6	5	2	4	49	68	(15)	(18)	34	50
Total revenue	743	982	344	231	161	178	1,248	1,391	(237)	(241)	1,011	1,150
Cost of sales	(475)	(644)	(237)	(185)	(135)	(146)	(847)	(975)	210	217	(637)	(758)
Selling and distribution expenses	(24)	(25)	(6)	(6)	(2)	(7)	(32)	(38)	-	-	(32)	(38)
Administrative expenses	(166)	(213)	(27)	(23)	(23)	(14)	(216)	(250)	27	4	(189)	(246)
Depreciation and amortisation	(37)	(30)	(34)	(25)	(3)	(3)	(74)	(58)	-	-	(74)	(58)
Total expenses	(702)	(912)	(304)	(239)	(163)	(170)	(1,169)	(1,321)	237	221	(932)	(1,100)
Profit from operating activities	41	70	40	(8)	(2)	8	79	70	-	(20)	79	50
Share of profit from investments												
in associates	-	-	-	-	-	-	-	-	15	6	15	6
Financial income	-	1	-	-	-	-	-	1	-	-	-	1
Finance cost	(1)	(1)	(1)	(1)	-	-	(2)	(2)	-	1	(2)	(1)
Income tax expenses	(1)	(6)	(7)	1	1	(1)	(7)	(6)	-	-	(7)	(6)
Profit for the period	39	64	32	(8)	(1)	7	70	63	15	(13)	85	50

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods end 30 June

	Cosmetics		Packaging		Others		Total reportable segments		Adjustments and eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Sales	1,588	1,693	652	462	364	282	2,604	2,437	(448)	(366)	2,156
Other income	103	115	10	8	4	5	117	128	(52)	(52)	65	76
Total revenue	1,691	1,808	662	470	368	287	2,721	2,565	(500)	(418)	2,221	2,147
Cost of sales	(1,078)	(1,213)	(465)	(374)	(311)	(238)	(1,854)	(1,825)	446	359	(1,408)	(1,466)
Selling and distribution expenses	(50)	(47)	(11)	(11)	(4)	(11)	(65)	(69)	-	-	(65)	(69)
Administrative expenses	(341)	(391)	(45)	(40)	(46)	(28)	(432)	(459)	27	11	(405)	(448)
Depreciation and amortisation	(74)	(59)	(69)	(51)	(4)	(3)	(147)	(113)	-	-	(147)	(113)
Total expenses	(1,543)	(1,710)	(590)	(476)	(365)	(280)	(2,498)	(2,466)	473	370	(2,025)	(2,096)
Profit from operating activities	148	98	72	(6)	3	7	223	99	(27)	(48)	196	51
Share of profit from investments												
in associates	-	-	-	-	-	-	-	-	40	21	40	21
Finance income	-	1	-	-	-	-	-	1	-	-	-	1
Finance cost	(2)	(1)	(1)	(1)	(1)	-	(4)	(2)	-	-	(4)	(2)
Income tax expenses	(14)	(2)	(11)	-	(1)	(1)	(26)	(3)	-	-	(26)	(3)
Profit for the period	132	96	60	(7)	1	6	193	95	13	(27)	206	68

20. Dividend

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 23 April 2019	189	1.3
Interim dividends from the results of operation for 2019	Board of Director Meeting on 8 April 2020	165	1.1

21. Commitments and contingent liabilities**21.1 Capital commitments**

As at 30 June 2020, the Group has capital commitments of approximately Baht 26 million (The Company only: Baht 8 million) (31 December 2019: Baht 14 million, the Company only: Baht 6 million), relating to construct factory and purchase machine.

21.2 Operating lease and service commitments

As at 30 June 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 10 million (The Company only: Baht 8 million).

21.3 Guarantees

The Group has outstanding bank guarantees as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Audited)		(Audited)	
Bank guarantee for:				
Electricity use guarantees	15.4	14.6	7.0	6.3
Tax refund guarantees	8.3	4.6	8.3	4.6
Other guarantees	4.1	8.1	4.1	8.1

(Unaudited but reviewed)

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

22. Fair value hierarchy

As at 30 June 2020, the Group had the assets and liabilities that were measured at fair value, as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 30 June 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in equity instruments	909,379	-	183,638	1,093,017
Certificates of deposits	16,000	-	-	16,000
Forward contract	372	-	-	372
Liability measured at fair value				
Forward contract	241	-	-	241

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 30 June 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in equity instruments	909,379	-	180,854	1,095,233
Certificates of deposits	5,000	-	-	5,000
Forward contract	372	-	-	372

During the current period, there were no transfers within the fair value hierarchy.

23. Financial instruments

23.1 Assets/liabilities in foreign currency

As at 30 June 2020 and 31 December 2019, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	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	8.64	7.11	0.49	0.77	30.89	30.15
GBP	1.32	1.42	0.22	0.01	38.00	39.52
JPY	119.39	5.87	4.03	11.39	0.29	0.28
EUR	0.06	-	0.33	0.02	34.70	33.73
<u>The subsidiaries</u>						
USD	1.14	0.16	0.52	0.35	30.89	30.15
EUR	0.05	-	-	-	34.70	-
CNY	0.23	0.35	1.20	0.60	4.37	4.31
CHF	0.05	-	-	-	32.47	-

23.2 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)			(Baht per 1 foreign currency unit)	
<u>Sold amount</u>						
GBP	-	1	-	June 2020 - December 2020	-	40.2290 - 40.5725
JPY	-	5	-	April 2020	-	0.2763

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2020.