

Srithai Superware Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Srithai Superware Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Srithai Superware Public Company Limited and its subsidiaries as at 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to interim consolidated financial statements. I have also reviewed the separate financial information of Srithai Superware 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*.

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.

Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 15 May 2020

Srithai Superware Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		312,079	321,232	137,054	128,715
Trade receivables	4	1,812,885	1,736,773	1,141,052	1,114,378
Other receivables - unrelated parties		113,259	55,708	50,585	22,872
Other receivables - related parties	3.2	9,333	1,021	97,403	61,249
Inventories		1,167,827	1,177,256	637,557	666,149
Other current assets		98,658	96,073	3,871	2,923
Total current assets		3,514,041	3,388,063	2,067,522	1,996,286
Non-current assets					
Restricted bank deposits	5	6,275	6,049	-	-
Other non-current financial assets		126,378	-	109,410	-
Available-for-sale investments		-	34,080	-	34,080
Investments in subsidiaries	6.1	-	-	1,937,220	1,937,220
Investments in associates	6.1	201,163	204,918	184,113	184,113
Other long-term investments		-	113,016	-	47,170
Investment properties		131,383	132,981	496,781	498,379
Property, plant and equipment	7	4,146,980	4,185,493	2,384,297	2,464,816
Right-of-use assets	8	204,153	-	41,200	-
Leasehold rights		-	124,305	-	-
Intangible assets	7	23,075	24,049	9,231	9,416
Goodwill		5,131	5,131	-	-
Deferred tax assets		225,912	231,151	179,176	185,006
Other non-current assets		22,181	23,009	5,157	6,748
Total non-current assets		5,092,631	5,084,182	5,346,585	5,366,948
Total assets		8,606,672	8,472,245	7,414,107	7,363,234

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

Srithai Superware Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans	9.1	1,737,774	1,703,293	1,190,000	1,180,000
Trade payables - unrelated parties		913,370	858,393	581,016	518,988
Trade payables - related parties	3.2	75,678	57,593	70,080	59,224
Other payables - unrelated parties		330,925	298,717	140,808	123,841
Other payables - related parties	3.2	1,213	816	3,831	3,411
Current portion of long-term loans	9.2	438,289	513,538	329,680	400,680
Current portion of lease liabilities		18,793	-	12,348	-
Other current financial liabilities		3,686	-	3,686	-
Other current liabilities		31,059	39,461	13,436	20,237
Total current liabilities		3,550,787	3,471,811	2,344,885	2,306,381
Non-current liabilities					
Long-term loans, net of current portion	9.2	581,489	633,032	360,380	395,800
Lease liabilities, net of current portion		48,211	-	24,708	-
Long-term finance lease liabilities, net of current portion		-	1,479	-	1,479
Provision for long-term employee benefits		420,048	414,215	325,717	323,613
Other non-current liabilities		7,799	5,423	2,301	-
Total non-current liabilities		1,057,547	1,054,149	713,106	720,892
Total liabilities		4,608,334	4,525,960	3,057,991	3,027,273
Shareholders' equity					
Share capital					
Registered					
2,709,904,800 ordinary shares at par value of Baht 1 each		2,709,905	2,709,905	2,709,905	2,709,905
Issued and fully paid					
2,709,904,800 ordinary shares at par value of Baht 1 each		2,709,905	2,709,905	2,709,905	2,709,905
Premium on treasury shares		19,928	19,928	19,928	19,928
Retained earnings					
Appropriated - statutory reserve		264,000	264,000	264,000	264,000
Unappropriated		1,102,187	1,092,605	1,344,475	1,346,848
Other components of shareholders' equity		(351,622)	(390,498)	17,808	(4,720)
Equity attributable to equity holders of the Company		3,744,398	3,695,940	4,356,116	4,335,961
Non-controlling interests		253,940	250,345	-	-
Total shareholders' equity		3,998,338	3,946,285	4,356,116	4,335,961
Total liabilities and shareholders' equity		8,606,672	8,472,245	7,414,107	7,363,234

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

Director

Director

(Unaudited but reviewed)

Srithai Superware Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2020**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues		1,923,312	2,414,192	1,108,681	1,445,391
Cost of sales		(1,681,277)	(2,154,879)	(996,147)	(1,325,643)
Gross profit		242,035	259,313	112,534	119,748
Dividend income		-	-	26,779	43,479
Other income		28,959	18,320	38,106	30,296
Selling and distribution expenses		(100,219)	(118,570)	(70,737)	(86,464)
Administrative expenses		(108,309)	(116,369)	(69,147)	(75,321)
Profit from operating activities		62,466	42,694	37,535	31,738
Share of profit from investments in associates		4,641	5,132	-	-
Finance cost		(24,179)	(35,711)	(12,431)	(19,032)
Profit before income tax		42,928	12,115	25,104	12,706
Income tax (expenses) benefit	10	(4,554)	(2,524)	(198)	1,085
Profit for the period		38,374	9,591	24,906	13,791
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on change in value of available-for-sale investments		-	(9,120)	-	(9,120)
Exchange differences on translation of financial statements in foreign currency		68,334	(22,334)	-	-
Income tax effect		-	1,824	-	1,824
Other comprehensive income to be reclassified		68,334	(29,630)	-	(7,296)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on investments in equity designated at fair value through other comprehensive income		(6,240)	-	(6,240)	-
Income tax effect		1,248	-	1,248	-
Other comprehensive income not to be reclassified		(4,992)	-	(4,992)	-
Other comprehensive income for the period		63,342	(29,630)	(4,992)	(7,296)
Total comprehensive income for the period		101,716	(20,039)	19,914	6,495

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

(Unaudited but reviewed)

Srithai Superware Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2020

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

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Profit attributable to:					
Equity holders of the Company		35,616	10,643	24,906	13,791
Non-controlling interests		2,758	(1,052)		
		38,374	9,591		
Total comprehensive income attributable to:					
Equity holders of the Company		99,384	(24,119)	19,914	6,495
Non-controlling interests		2,332	4,080		
		101,716	(20,039)		
Earnings per share	11				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.013	0.004	0.009	0.005

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

(Unaudited but reviewed)

Srithai Superware Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 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 operating activities				
Profit before income tax	42,928	12,115	25,104	12,706
Adjustments to reconcile profit before tax to net cash provided				
by (paid from) operating activities:				
Depreciation	180,193	192,792	109,269	120,176
Amortisation of intangible assets	1,627	2,336	618	956
Amortisation of leasehold rights	-	737	-	-
Assets written off	2,558	519	2,301	519
Allowance for doubtful accounts	489	90	-	500
Allowance for inventory obsolescence and				
for inventories cost in excess of net realisable value (reversal)	(3,538)	1,729	(2,000)	500
Gain on disposal of fixed assets	(1,245)	(350)	(1,133)	(3,835)
Provision for long-term employee benefits	7,132	8,112	3,070	6,343
Allowance for impairment loss on assets	4,600	-	4,600	-
Unrealised (gain) loss on exchanges	(11,379)	423	(10,865)	1,217
Share of profit from investments in associates	(4,641)	(5,132)	-	-
Dividend income from investments in subsidiaries and associates	-	-	(26,779)	(43,479)
Interest income	(460)	(388)	(305)	(164)
Finance cost	24,179	35,711	12,431	19,032
Profit from operating activities before changes in				
operating assets and liabilities	242,443	248,694	116,311	114,471
Operating assets (increase) decrease				
Trade receivables	(14,599)	(86,798)	(52,626)	(115,845)
Other receivables	(59,074)	(15,357)	(27,858)	4,076
Inventories	29,374	123,882	30,556	103,750
Other current assets	1,454	(2,762)	(594)	760
Other non-current assets	1,734	2,430	1,590	1,352
Operating liabilities increase (decrease)				
Trade payables	27,632	(85,501)	72,783	(69,606)
Other payables	25,124	(33,591)	23,253	21,613
Other current liabilities	(10,143)	(14,306)	(6,802)	(13,816)
Other non-current liabilities	(257)	-	-	-
Employee benefits paid	(1,299)	(1,623)	(966)	(223)
Cash flows from operating activities	242,389	135,068	155,647	46,532
Cash paid for interest expenses	(23,112)	(35,609)	(11,750)	(18,674)
Cash paid for income tax	(6,582)	(9,222)	(354)	(988)
Income tax refunds	-	18,264	-	-
Net cash flows from operating activities	212,695	108,501	143,543	26,870

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

(Unaudited but reviewed)

Srithai Superware Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 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 short-term investments	-	(6,549)	-	-
Acquisition of property, plant and equipment	(67,000)	(73,739)	(38,119)	(24,357)
Acquisition of right-of-use assets	(1,000)	-	(1,000)	-
Acquisition of intangible assets	(432)	(75)	(432)	-
Proceeds from disposals of property, plant and equipment	2,842	809	3,702	18,458
Interest receipts	252	301	235	85
Dividend receipts from investments in subsidiaries and associates	-	16,200	-	35,250
Net cash flows from (used in) investing activities	<u>(65,338)</u>	<u>(63,053)</u>	<u>(35,614)</u>	<u>29,436</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans	34,481	(2,976)	10,000	-
Repayment of long-term loans	(141,911)	(174,448)	(106,420)	(127,255)
Repayment of lease liabilities	(4,897)	(384)	(3,205)	-
Net cash flows used in financing activities	<u>(112,327)</u>	<u>(177,808)</u>	<u>(99,625)</u>	<u>(127,255)</u>
Increase (decrease) in translation adjustments	<u>(44,218)</u>	<u>50,132</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents				
before effect from currency translation	(9,188)	(82,228)	8,304	(70,949)
Effect from currency translation of cash and cash equivalents	35	(9)	35	(9)
Net increase (decrease) in cash and cash equivalents	<u>(9,153)</u>	<u>(82,237)</u>	<u>8,339</u>	<u>(70,958)</u>
Cash and cash equivalents at beginning of period	<u>321,232</u>	<u>374,571</u>	<u>128,715</u>	<u>195,127</u>
Cash and cash equivalents at end of period	<u>312,079</u>	<u>292,334</u>	<u>137,054</u>	<u>124,169</u>

Supplementary cash flows information comprises the following:**Property, plant and equipment**

Additions (Note 7)	73,852	43,157	35,682	11,735
Decrease (increase) in other payables from purchases of property, plant and equipment	(7,122)	31,110	2,504	10,658
Decrease (increase) in other payables - related parties from purchases of property, plant and equipment	-	-	(337)	2,221
Purchases of property, plant and equipment under finance lease	-	(271)	-	-
Unrealised (gain) loss on exchanges	270	(257)	270	(257)
Payment for purchases of property, plant and equipment	<u>67,000</u>	<u>73,739</u>	<u>38,119</u>	<u>24,357</u>

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

(Unaudited but reviewed)

Srithai Superware Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Property, plant and equipment (continued)				
Disposals (Note 7)	1,101	132	2,055	49,486
Gain on disposal of fixed assets	1,245	350	1,133	3,835
Decrease in other receivables from disposals of property, plant and equipment	496	327	495	327
Decrease (increase) in other receivables - related parties from disposal of property, plant and equipment	-	-	19	(35,190)
Proceeds from disposals of property, plant and equipment	<u>2,842</u>	<u>809</u>	<u>3,702</u>	<u>18,458</u>
Dividend income				
Dividends of investments in subsidiaries and associates	-	-	26,779	43,479
Dividends of investments in associates presented as net of such investments in the consolidated financial statements	7,650	16,349	-	-
Increase in dividend receivable	<u>(7,650)</u>	<u>(149)</u>	<u>(26,779)</u>	<u>(8,229)</u>
Dividends received from investments in subsidiaries and associates	<u>-</u>	<u>16,200</u>	<u>-</u>	<u>35,250</u>
Non-cash transactions				
Right-of-use assets				
Right-of-use assets increase under lease agreements	13,822	-	5,178	-

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

(Unaudited but reviewed)

Srithai Superware 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											
	Issued and fully paid share capital	Premium on treasury shares	Retained earnings		Other components of equity				Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests	Total shareholders' equity
					Other comprehensive income						
					translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Deficit on changes in value of investments in equity	Total other components of shareholders' equity			
Balance as at 1 January 2019	2,709,905	19,928	264,000	1,443,086	(279,188)	15,056	-	(264,132)	4,172,787	252,143	4,424,930
Profit (loss) for the period	-	-	-	10,643	-	-	-	-	10,643	(1,052)	9,591
Other comprehensive income for the period	-	-	-	-	(27,466)	(7,296)	-	(34,762)	(34,762)	5,132	(29,630)
Total comprehensive income for the period	-	-	-	10,643	(27,466)	(7,296)	-	(34,762)	(24,119)	4,080	(20,039)
Balance as at 31 March 2019	2,709,905	19,928	264,000	1,453,729	(306,654)	7,760	-	(298,894)	4,148,668	256,223	4,404,891
Balance as at 1 January 2020	2,709,905	19,928	264,000	1,092,605	(385,778)	(4,720)	-	(390,498)	3,695,940	250,345	3,946,285
Cumulative effect of change in accounting policy (Note 2)	-	-	-	(26,034)	-	4,720	(29,612)	(24,892)	(50,926)	2,134	(48,792)
Balance as at 1 January 2020 - as restated	2,709,905	19,928	264,000	1,066,571	(385,778)	-	(29,612)	(415,390)	3,645,014	252,479	3,897,493
Profit for the period	-	-	-	35,616	-	-	-	-	35,616	2,758	38,374
Other comprehensive income for the period	-	-	-	-	68,760	-	(4,992)	63,768	63,768	(426)	63,342
Total comprehensive income for the period	-	-	-	35,616	68,760	-	(4,992)	63,768	99,384	2,332	101,716
Dividend paid	-	-	-	-	-	-	-	-	-	(871)	(871)
Balance as at 31 March 2020	2,709,905	19,928	264,000	1,102,187	(317,018)	-	(34,604)	(351,622)	3,744,398	253,940	3,998,338

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

(Unaudited but reviewed)

Srithai Superware 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 fully paid share capital	Premium on treasury shares	Retained earnings		Other components of equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Surplus (deficit) on changes in value of available-for-sale investments	Surplus on changes in value of investments in equity		
			Appropriated	Unappropriated				
Balance as at 1 January 2019	2,709,905	19,928	264,000	1,777,486	15,056	-	15,056	4,786,375
Profit for the period	-	-	-	13,791	-	-	-	13,791
Other comprehensive income for the period	-	-	-	-	(7,296)	-	(7,296)	(7,296)
Total comprehensive income for the period	-	-	-	13,791	(7,296)	-	(7,296)	6,495
Balance as at 31 March 2019	<u>2,709,905</u>	<u>19,928</u>	<u>264,000</u>	<u>1,791,277</u>	<u>7,760</u>	<u>-</u>	<u>7,760</u>	<u>4,792,870</u>
Balance as at 1 January 2020	2,709,905	19,928	264,000	1,346,848	(4,720)	-	(4,720)	4,335,961
Cumulative effect of change in accounting policy (Note 2)	-	-	-	(27,279)	4,720	22,800	27,520	241
Balance as at 1 January 2020 - as restated	2,709,905	19,928	264,000	1,319,569	-	22,800	22,800	4,336,202
Profit for the period	-	-	-	24,906	-	-	-	24,906
Other comprehensive income for the period	-	-	-	-	-	(4,992)	(4,992)	(4,992)
Total comprehensive income for the period	-	-	-	24,906	-	(4,992)	(4,992)	19,914
Balance as at 31 March 2020	<u>2,709,905</u>	<u>19,928</u>	<u>264,000</u>	<u>1,344,475</u>	<u>-</u>	<u>17,808</u>	<u>17,808</u>	<u>4,356,116</u>

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

Srithai Superware Public Company Limited and its subsidiaries

Notes to the interim consolidated financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 Corporate information

Srithai Superware Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is at 15 Suksawat Road Soi 36, Bangpakok, Rasburana, Bangkok 10140.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group is principally engaged in the manufacture and distribution of plastics products such as plastic products for household and plastic products for industry and the manufacture and distribution of moulds.

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 have been prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company adopting to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as those 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 interim financial statements.

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Srithai Superware Public Company Limited (“the Company”) and its subsidiaries (hereinafter called as “the Subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019, with no structural changes related to the Group occurring during the current period.

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
--------	-------------------------------------

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 recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes 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 to the financial statements.

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 to the financial statements.

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:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- 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 retained earnings 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 instruments			
	31 December 2019		TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade receivables	1,736,773	(26,239)	-	1,710,534
Other receivables - unrelated parties	55,708	-	(3,176)	52,532
Non-current assets				
Other non-current financial assets	-	132,618	-	132,618
Available-for-sale investments	34,080	(34,080)	-	-
Other long-term investments	113,016	(113,016)	-	-
Property, plant and equipment	4,185,493	-	(3,578)	4,181,915
Right-of-use assets	-	-	194,967	194,967
Leasehold rights	124,305	-	(124,305)	-
Deferred tax assets	231,151	(8,074)	-	223,077
Liabilities and shareholders' equity				
Current liabilities				
Other payables - unrelated parties	298,717	-	(860)	297,857
Current portion of lease liabilities	-	-	16,819	16,819
Non-current liabilities				
Lease liabilities, net of current portion	-	-	47,219	47,219
Long-term finance lease liabilities, net of current portion	1,479	-	(1,479)	-
Other non-current liabilities	-	-	2,570	2,570
Shareholders' equity				
Retained earnings - unappropriated	1,092,605	(26,034)	-	1,066,571
Other components of shareholders' equity	(390,498)	(24,892)	-	(415,390)
Non-controlling interests	250,345	2,134	-	252,479

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	Financial reporting standards related to financial instruments			
	31 December 2019		TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade receivables	1,114,378	(27,279)	-	1,087,099
Other receivables - unrelated parties	22,872	-	(215)	22,657
Non-current assets				
Other non-current financial assets	-	115,650	-	115,650
Available-for-sale investments	34,080	(34,080)	-	-
Other long-term investments	47,170	(47,170)	-	-
Property, plant and equipment	2,464,816	-	(2,886)	2,461,930
Right-of-use assets	-	-	38,299	38,299
Deferred tax assets	185,006	(6,880)	-	178,126
Liabilities and shareholders' equity				
Current liabilities				
Other payables - unrelated parties	123,841	-	(365)	123,476
Current portion of lease liabilities	-	-	11,283	11,283
Non-current liabilities				
Lease liabilities, net of current portion	-	-	23,459	23,459
Long-term finance lease liabilities, net of current portion	1,479	-	(1,479)	-
Other non-current liabilities	-	-	2,301	2,301
Shareholders' equity				
Retained earnings - unappropriated	1,346,848	(27,279)	-	1,319,569
Other components of shareholders' equity	(4,720)	27,520	-	22,800

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Recognition of an allowance for expected credit losses		
on financial assets	(26,239)	(27,279)
Impacts due to the adoption of financial reporting standards		
related to financial instruments		
- Impact on retained earnings	(26,034)	(27,279)
- Impact on non-controlling interests	(205)	-
	(26,239)	(27,279)

Details of the impact on other comprehensive income under other components of equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Fair value measurement of investments in equity instruments		
of non-listed companies	(22,553)	27,520
Impacts due to the adoption of financial reporting standards		
related to financial instruments		
- Impact on other comprehensive income under		
other components of equity	(24,892)	27,520
- Impact on non-controlling interests	2,339	-
	(22,553)	27,520

(Unaudited but reviewed)

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		Amortised cost	Total
		Fair value	through other		
		through profit or loss	comprehensive income		
Financial assets as at 1 January 2020					
Cash and cash equivalents	321,232	-	-	321,232	321,232
Trade receivables	1,736,773	-	-	1,710,534	1,710,534
Other receivables - unrelated parties	55,708	-	-	55,708	55,708
Other receivables - related parties	1,021	-	-	1,021	1,021
Restricted bank deposits	6,049	-	-	6,049	6,049
Other non-current financial assets	147,096	-	132,618	-	132,618
Total financial assets	2,267,879	-	132,618	2,094,544	2,227,162

(Unit: Thousand Baht)

Separate financial statements					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value		Amortised cost	Total
		Fair value	through other		
		through profit or loss	comprehensive income		
Financial assets as at 1 January 2020					
Cash and cash equivalents	128,715	-	-	128,715	128,715
Trade receivables	1,114,378	-	-	1,087,099	1,087,099
Other receivables - unrelated parties	22,872	-	-	22,872	22,872
Other receivables - related parties	61,249	-	-	61,249	61,249
Other non-current financial assets	81,250	-	115,650	-	115,650
Total financial assets	1,408,464	-	115,650	1,299,935	1,415,585

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
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	125,468	40,081
Less: Short-term leases and leases of low-value assets	(1,192)	(635)
Add: Option to extend lease term	26,528	13,468
Less: Contracts reassessed as service agreements	(72,276)	(17,697)
Less: Deferred interest expenses	(16,829)	(2,319)
Increase in lease liabilities due to TFRS 16 adoption	61,699	32,898
Liabilities under finance lease agreements as at		
31 December 2019	2,339	1,844
Lease liabilities as at 1 January 2020	64,038	34,742
Comprise of:		
Current lease liabilities	16,819	11,283
Non-current lease liabilities	47,219	23,459
	64,038	34,742

(Unaudited but reviewed)

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	140,030	1,233
Buildings	16,796	6,212
Factory equipment	5,782	3,668
Office equipment	1,385	1,385
Motor vehicles	30,974	25,801
Total right-of-use assets	194,967	38,299

3. Related party transactions

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

3.1 Transactions occurred during the periods

	(Unit: Million Baht)				
	For the three-month periods ended 31 March				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	37	51	Cost plus margin
Rental and service income	-	-	9	12	Contract price / Mutually agreed price
Management service income	-	-	5	1	Contract price
Purchase of goods	-	-	27	83	Cost plus margin
Service expenses	-	-	3	1	Mutually agreed price
Dividend income	-	-	19	27	As declared
Sales of fixed assets	-	-	2	53	Cost plus margin
Purchase of fixed assets	-	-	1	-	Cost plus margin

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with associates</u>					
Sales of goods	110	66	110	66	Cost plus margin
Rental and service income	2	2	2	2	Contract price / Mutually agreed price
Purchase of goods	80	113	36	62	Market price / Cost plus margin
Service expenses	-	1	-	1	Mutually agreed price
Dividend income	-	-	8	16	As declared
<u>Transactions with related companies</u>					
(shares held by executive of the Company and relatives of some executives; some of them serve as directors)					
Sales of goods	87	95	66	69	Cost plus margin
Purchase of goods	6	7	2	2	Cost plus margin
Promotion expenses	1	2	1	2	Mutually agreed price

3.2 Outstanding balances as at the period ended date

The balances of the accounts between the Group and those related parties were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Subsidiaries	-	-	117	114
Associates	160	115	160	115
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	144	130	105	101
Total	304	245	382	330
Less: Allowance for doubtful debts	-	-	(74)	(62)
Total trade receivables - related parties, net (Note 4)	304	245	308	268

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<u>Other receivables - related parties</u>				
Subsidiaries - dividend receivables	-	-	76	57
Subsidiaries - other receivables	-	-	12	3
Associates - dividend receivables	8	-	8	-
Associates - other receivables	1	1	1	1
Total other receivables - related parties	9	1	97	61

Trade payables - related parties

Subsidiaries	-	-	29	29
Associates	70	47	38	23
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	6	11	3	7
Total trade payables - related parties	76	58	70	59

Other payables - related parties

Subsidiaries	-	-	4	3
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	1	1	-	-
Total other payables - related parties	1	1	4	3

3.3 Key directors and management's benefits

The Group had benefit expenses for their key directors and management as below.

(Unit: Million Baht)

	For the three-month period ended 31 march			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Directors' remuneration	0.6	0.5	0.6	0.5
Managements' remuneration				
Short-term employee benefits	21.4	21.6	10.3	9.3
Post-employment benefits	0.3	0.3	0.1	0.1
Total	22.3	22.4	11.0	9.9

4. Trade receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<u>Trade receivables - related parties (Note 3.2)</u>				
Aged on the basis of due dates				
Not yet due	245	173	249	169
Past due				
Up to 3 months	57	46	57	66
3 - 6 months	2	26	2	26
6 - 12 months	-	-	-	-
Over 12 months	-	-	74	69
Total	304	245	382	330
Less: Allowance for doubtful debts	-	-	(74)	(62)
Total trade receivables - related parties, net	304	245	308	268
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,121	1,069	567	546
Past due				
Up to 3 months	315	356	200	247
3 - 6 months	68	36	57	29
6 - 12 months	21	24	17	18
Over 12 months	32	29	21	20
Total	1,557	1,514	862	860
Less: Allowance for doubtful debts	(48)	(22)	(29)	(14)
Total trade receivables - unrelated parties, net	1,509	1,492	833	846
Trade receivables - net	1,813	1,737	1,141	1,114

The Group has a policy to provide a credit term of 15 to 150 days and 30 to 180 days to trade receivables - unrelated parties and trade receivables - related parties, respectively.

5. Restricted bank deposits

As at 31 March 2020, the outstanding balance of restricted bank deposits is the fixed deposits of subsidiaries amounting to Baht 6 million which are pledged as guarantee for tax, electricity usage and others (31 December 2019: Baht 6 million).

6. Investments in subsidiaries and associates

6.1 Details of investments in subsidiaries and associates are presented as the following:

(Unit: Million Baht)

Nature of business		Country of incorporation	Separate financial statements							
			Percentage of shareholding		Cost method					
			31 March 2020	31 December 2019	31 March 2020			31 December 2019		
					Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
			(percentage)	(percentage)				(Audited)	(Audited)	(Audited)
<u>Subsidiaries</u>										
<u>Local</u>										
Korat Thai Tech Co., Ltd.	Manufacture and distribution of melamine products	Thailand	100.0	100.0	30	-	30	30	-	30
T Thaiplas Co., Ltd.	Manufacture and distribution of melamine products	Thailand	100.0	100.0	41	-	41	41	-	41
Srithai-Otto (Thailand) Co., Ltd.	Distribution of plastic products	Thailand	75.0	75.0	12	-	12	12	-	12
Srithai Moulds Co., Ltd.	Manufacture and distribution of moulds and plastic products	Thailand	71.0	71.0	82	-	82	82	-	82
Srithai Miyagawa Co., Ltd.	Manufacture and distribution of moulds and plastic products	Thailand	51.0	51.0	61	-	61	61	-	61
					226	-	226	226	-	226
<u>Foreign</u>										
Srithai (Vietnam) Co., Ltd.	Manufacture and distribution of plastic and melamine products	Vietnam	100.0	100.0	1,229	-	1,229	1,229	-	1,229
Srithai Superware Manufacturing Pvt. Ltd.	Manufacture and distribution of melamine products	India	100.0	100.0	482	-	482	482	-	482
Srithai Superware India Ltd.	Distribution of melamine products	India	82.4	82.4	25	(25)	-	25	(25)	-
					1,736	(25)	1,711	1,736	(25)	1,711
Total investments in subsidiaries					1,962	(25)	1,937	1,962	(25)	1,937

(Unaudited but reviewed)

(Unit: Million Vietnamese Dong)

Nature of business	Country of incorporation	Percentage of shareholding		Cost method	
		31 March	31 December	31 March 2020	31 December 2019
		2020	2019		
		(percentage)	(percentage)		(Audited)
Indirect subsidiary					
Subsidiary of Srithai (Vietnam) Co., Ltd.					
Srithai (Hanoi) Co., Ltd.	Manufacture and distribution of plastic products	Vietnam	100.0	100.0	424,920
					(equivalent to Baht 663 million)
					(equivalent to Baht 663 million)

(Unit: Million Baht)

		Country of incorporation	Consolidated financial statements				Separate financial statements					
			Percentage of shareholding		Equity method		Cost method					
							31 March 2020			31 December 2019		
			31 March 2020	31 December 2019	31 March 2020	31 December 2019	Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
			(percentage)	(percentage)		(Audited)				(Audited)	(Audited)	(Audited)
Nature of business												
<u>Associates</u>												
<u>Local</u>												
Srithai Sanko Co., Ltd.	Distribution of plastic products	Thailand	48.0	48.0	16	19	10	-	10	10	-	10
Thai MFC Co., Ltd.	Manufacture and distribution of melamine powder	Thailand	45.0	45.0	103	104	90	-	90	90	-	90
Sheewamala Co., Ltd.	Manufacture and distribution of plastic and melamine products	Thailand	40.0	40.0	35	34	20	-	20	20	-	20
Srithai Packaging Co., Ltd.	Manufacture and distribution of packaging	Thailand	39.2	39.2	36	37	27	-	27	27	-	27
Soko Srithai Co., Ltd.	Registered for dissolution and have been under the process of liquidation	Thailand	24.0	24.0	-	-	48	(48)	-	48	(48)	-
					190	194	195	(48)	147	195	(48)	147
<u>Foreign</u>												
PT. Srithai Maspion Indonesia	Manufacture and distribution of melamine products	Indonesia	32.5	32.5	11	11	37	-	37	37	-	37
					11	11	37	-	37	37	-	37
Total investments in associates					201	205	232	(48)	184	232	(48)	184

6.2 Significant events during the three-month period ended 31 March 2020

a) Decrease in share capital of a subsidiary

On 27 March 2020, the Annual General Meeting of shareholders of T Thaiplas Company Limited, a subsidiary, passed a resolution to approve a decrease of its registered share capital from Baht 40 million to Baht 10 million by cancelling 3 million ordinary shares with a par value of Baht 10 per share, for a total of Baht 30 million. Following the decrease of registered shares, the Company's 100 percent shareholding in T Thaiplas Company Limited was unchanged. The subsidiary registered the decrease in its share capital with the Ministry of Commerce on 14 May 2020.

b) Dividend payment of subsidiaries

Dividends	Approved by	Percentage of shareholding (Percentage)	Total dividends (Million Baht)	Dividends per share (Baht)	Dividend income (Million Baht)
<u>Korat Thai Tech Company Limited</u>					
Final dividends for 2019	Annual General Meeting of the shareholders on 27 March 2020	100.0	15	5.0	15
<u>T Thaiplas Company Limited</u>					
Final dividends for 2019	Annual General Meeting of the shareholders on 27 March 2020	100.0	2	0.5	2
<u>Srithai Moulds Company Limited</u>					
Final dividends for 2019	Annual General Meeting of the shareholders on 31 March 2020	71.0	3	3.0	2

c) Dividend payment of an associate

Company	Percentage of shareholding (Percentage)	Dividend income (Million Baht)
Thai MFC Co., Ltd.	45.0	8

7. Property, plant and equipment and Intangible assets

The movements in property, plant and equipment and intangible assets for the three-month period ended 31 March 2020 comprise the following:

	Consolidated		Separate	
	financial statements		financial statements	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Net book value as at 1 January 2020	4,185	24	2,465	9
Acquisition during period - at cost	74	1	36	1
Disposal during period - net book value at disposal date	(1)	-	(2)	-
Written-off during period - net book value at written-off date	(1)	-	(1)	-
Reclassification - net book value at reclassification date	(5)	-	(4)	-
Depreciation/amortisation for the period	(173)	(2)	(105)	(1)
Allowance for impairment for the period	(5)	-	(5)	-
Translation adjustment	73	-	-	-
Net book value as at 31 March 2020	4,147	23	2,384	9

Subsidiaries have pledged their land, building and machines as collateral against overdrafts, long-term loans and working capital facilities amounting to Baht 231 million (31 December 2019: Baht 240 million).

8. Right-of-use assets

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

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	131	3
Adjustments of right-of-use assets due to TFRS16 adoption	64	35
Increase during period	7	6
Depreciation for the period	(6)	(3)
Translation adjustment	8	-
Net book value as at 31 March 2020	204	41

9. Loans

9.1 Short-term loans

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
Short-term loans from banks				
Baht	1,265	1,255	1,190	1,180
Vietnamese Dong 340,370 million				
(31 December 2019: Vietnamese Dong 342,470 million)	473	448	-	-
Total short-term loans	1,738	1,703	1,190	1,180

As at 31 March 2020, short-term loans in Thai Baht from local banks represent promissory notes due at call and maturity within 3 months, bearing fixed interest rate over loan period (31 December 2019: fixed interest rate over loan period).

As at 31 March 2020, short-term loans in Vietnamese Dong of overseas subsidiaries represent short-term loans contracts with maturity within 6 months, bearing interest at Cost of Fund plus margin of a commercial bank in Vietnam (31 December 2019: bearing interest at Cost of Fund plus margin of a commercial bank in Vietnam).

Guarantees, collaterals and other conditions in loan agreements have not been changed from those disclosed in the annual financial statements for the year ended 31 December 2019.

9.2 Long-term loans

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
Long-term loans				
Baht	778	899	690	796
Vietnamese Dong 173,940 million				
(31 December 2019: Vietnamese Dong 188,986 million)	242	248	-	-
Total long-term loans	1,020	1,147	690	796

Long-term loans are due for repayments as follows:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Current portion of long-term loans	438	514	330	401
Due over 1 year and not over 3 years	511	536	308	333
Due over 3 years and not over 5 years	71	97	52	62
Total long-term loans due over 1 year	582	633	360	395
Total long-term loans	1,020	1,147	690	796

As at 31 March 2020 and 31 December 2019, local long-term loans of the Group bear various interest rates such as at fixed rates, at MLR less discount, at FDR plus margin, and at BIBOR plus margin. Long-term loans of an overseas subsidiary bear interest at Cost of Fund plus margin.

As at 31 March 2020, guarantees, collaterals, repayment terms and other conditions in loan agreements have decreased from some long-term loans redemption.

The movements of long-term loans comprise the following:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,147	796
Repayment	(142)	(106)
Translation adjustment	15	-
Balance as at 31 March 2020	1,020	690

9.3 Unutilised credit facilities

Unutilised credit facilities comprise the following:

(Unit: Million Baht)

	Consolidated financial statements			
	31 March 2020		31 December 2019	
	Overdraft facilities	Working capital facilities	Overdraft facilities	Working capital facilities
			(Audited)	(Audited)
Floating rate				
- unspecified drawdown period	182	527	182	473
Fixed rate				
- unspecified drawdown period	-	3,936	-	4,229
	182	4,463	182	4,702

(Unit: Million Baht)

	Separate financial statements			
	31 March 2020		31 December 2019	
	Overdraft facilities	Working capital facilities	Overdraft facilities	Working capital facilities
			(Audited)	(Audited)
Floating rate				
- unspecified drawdown period	155	-	155	-
Fixed rate				
- unspecified drawdown period	-	3,841	-	4,153
	155	3,841	155	4,153

10. Income tax

Income tax expenses presented in the consolidated statement of comprehensive income and separate statement of comprehensive income are calculated based on the taxable profit at the rates of 15% to 25% and 20%, respectively (The estimated tax rates for the interim period of year 2019 were 15% to 25% and 20%, respectively) which are the rates in accordance with the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group operates and generates taxable income.

11. 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.

The following table sets forth the computation of basic earnings per share.

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period attributable to equity holders of the Company (Million Baht)	36	11	25	14
Weighted average number of ordinary shares (Million shares)	2,710	2,710	2,710	2,710
Earnings per share (Baht)	0.013	0.004	0.009	0.005

There are no potential dilutive ordinary shares in issue during the periods, so no diluted earnings per share is presented.

12. Segment information

The Group presents segment information by main business lines and separated by products from operation base, comprising domestic operation base and overseas operation base. It is divided into plastic business line, consisting of household products business unit and industrial products business unit, and moulds and others business line. To consider profit (loss) from sales by segment, intercompany sales are already eliminated. Profit (loss) from sales is determined by subtracting cost of sales, selling and distribution expenses, administrative expenses from net sales. Other income is unallocated.

The following tables present revenue and profit (loss) information regarding the Group's operating segments.

(Unit: Million Baht)

For the three-month period ended 31 March 2020						
Plastic business line						
	Household business unit		Industrial business unit		Moulds and others business line	Total
	Domestic Operations	Overseas Operations	Domestic Operations	Overseas Operations		
Sales	269	60	1,148	454	72	2,003
Revenues from subsidiaries	(22)	(2)	(42)	(2)	(12)	(80)
Total sales from external customers	247	58	1,106	452	60	1,923
Profit (loss) from sales by segment	(23)	(4)	30	24	6	33
Gain on foreign exchange rate - net						11
Other income						18
Finance cost						(24)
Share of profit from investments in associates						5
Profit before income tax						43
Income tax expenses						(5)
Profit for the period						38

(Unit: Million Baht)

For the three-month period ended 31 March 2019						
Plastic business line						
	Household business unit		Industrial business unit		Moulds and others business line	Total
	Domestic Operations	Overseas Operations	Domestic Operations	Overseas Operations		
Sales	470	90	1,390	576	24	2,550
Revenues from subsidiaries	(70)	(6)	(53)	(1)	(6)	(136)
Total sales from external customers	400	84	1,337	575	18	2,414
Profit (loss) from sales by segment	14	(2)	7	23	(17)	25
Loss on foreign exchange rate - net						(1)
Other income						18
Finance cost						(35)
Share of profit from investments in associates						5
Profit before income tax						12
Income tax expenses						(3)
Profit for the period						9

13. Promotional privileges

As at 31 March 2020, there is no additional promotional privilege received from the year ended 31 December 2019.

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 31 March 2020, the Group has capital commitments of approximately Baht 104 million (31 December 2019: Baht 115 million), relating to the building improvement, the acquisition of machinery, and equipment (the Company only: Baht 103 million (31 December 2019: Baht 111 million)).

14.2 Litigation

In 2016, a migrant labour recruitment agency incorporated in Cambodia filed a lawsuit against the Company claiming that the Company defaulted on payment of recruitment service fees and seeking compensation together with interest. In May 2017, the court ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum to the recruitment agency. However, the Company filed an appeal with the Court of Appeal in August 2017.

In 2019, the Court of Appeal dismissed the judgment of the Civil Court on the ground that in the Civil Court trial, there were no translation copies of the Company's supporting evidences from foreign language into Thai language. The Court of Appeal, therefore, ordered the Company prepare translation copies of the evidences and submit them to the Court in 2019. Thereafter, the Court of Appeal ordered the Civil Court proceed the judgment again based on pertinent evidences of the case.

On 17 January 2020, the Civil Court confirmed the same judgment which ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum to the recruitment agency. Nevertheless, the Company filed an appeal with the Court of Appeal in March 2020. The Company and the Company's legal counselor are confident that it has significant evidences and information that will be of benefit in defending the case. Therefore, the Company did not set aside any provision for this claim.

14.3 Other commitments and contingent liabilities

During the current period, there was no significant change in commitments regarding bank guarantee, other guarantee, operating lease commitments, other commitments and contingent liabilities, including other contract from the year ended 31 December 2019 except explained in Note 7, Note 9.2, Note 14.1 and Note 14.2 to the financial statements.

15. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

The Group had the certain assets and liabilities that were measured at fair value or disclosed fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	31 March 2020				31 December 2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets								
Other non-current financial assets								
- Investment in equity security								
of listed company	28	-	-	28	34	-	-	34
- Investments in equity securities								
of non-listed companies	-	42	56	98	-	-	-	-
Total assets	<u>28</u>	<u>42</u>	<u>56</u>	<u>126</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
Liabilities								
Other current financial liabilities								
- Derivatives	-	4	-	4	-	-	-	-
Total Liabilities	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Separate financial statements							
	31 March 2020				31 December 2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets								
Other non-current financial assets								
- Investment in equity security								
of listed company	28	-	-	28	34	-	-	34
- Investments in equity securities								
of non-listed companies	-	25	56	81	-	-	-	-
Total assets	<u>28</u>	<u>25</u>	<u>56</u>	<u>109</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
Liabilities								
Other current financial liabilities								
- Derivatives	-	4	-	4	-	-	-	-
Total Liabilities	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair value of equity securities listed in the Stock Exchange of Thailand is based on quoted bid price at the end of each reporting period by reference to the Stock Exchange of Thailand.

The fair value of equity securities that are not listed in the Stock Exchange of Thailand is based on information referred to net asset value adjusted with judgements of the Group's management which is on level 2 of the fair value hierarchy or based on discounted future cash flows that companies estimate which is on level 3 of the fair value hierarchy

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward rates of foreign currencies and interest rate yield curves.

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

There was no change in valuation techniques during the period.

The valuation process

The Group's Finance Department performs the valuation of financial assets required for the financial reporting purposes and reports directly to the Financial Executives every quarter.

16. Approval of the interim financial statements

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