

MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2020
(UNAUDITED/REVIEWED ONLY)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders of MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED

I have reviewed the statements of financial position in which equity method is applied and separate statements of financial position of MOONG PATTANA INTERNATIONAL PUBLIC COMPANY LIMITED as at 31 March 2020, and the related statements of comprehensive income in which the equity method is applied and separate statements of comprehensive income, statements of changes in shareholders' equity in which the equity method is applied and separate statements of changes in shareholders' equity, and statements of cash flows in which the equity method is applied and separate statements of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 on this reviewed interim financial information.

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 No.34 Interim Financial Reporting.

Other matters

The statements of financial position in which equity method is applied and separate statements of financial position of MOONG PATTANA INTERNATIONAL PUBLIC COMPANY as at 31 December 2019 presented for comparison were audited by other auditor who expressed unqualified opinion in the report dated on 25 February 2020. The related statements of comprehensive income in which equity method is applied and separate statements of comprehensive income, statements of changes shareholders' equity in which equity method is applied and separate statements of changes shareholders' equity and statements of cash flows in which equity method is applied and separate statements of cash flows for the three-month period ended 31 March 2019 presented for comparison were reviewed by other auditor who concluded in the report dated on 8 May 2019 that nothing causes to believe that such interim financial statements is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 "Interim Financial Reporting".

D I A International Audit Co., Ltd.

(Mr. Joompoth Priratanakorn)

C.P.A. (Thailand)

Registration No. 7645

13 May 2020

Moong Pattana International Public Company Limited

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	<u>Note</u>	Financial statements		Separate financial statements	
		in which the equity method is applied			
		As at	As at	As at	As at
		<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)
Assets					
Current assets					
Cash and cash equivalents		102,416	26,644	102,416	26,644
Current investment		-	37,316	-	37,316
Trade and other current receivables	5	184,850	215,990	184,850	215,990
Inventories		91,348	90,356	91,348	90,356
Other current assets		11,579	3,846	11,579	3,846
Total current assets		390,193	374,152	390,193	374,152
Non-current assets					
Investment in associated company	6	527,480	530,756	58,174	58,174
Other long-term investments	7	24,932	24,932	24,932	24,932
Building and equipment	8	18,610	30,411	18,610	30,411
Investment properties		27,700	27,700	27,700	27,700
Right-of-use assets	9	31,200	-	31,200	-
Intangible assets		12,064	12,887	12,064	12,887
Deferred tax assets		4,779	4,747	4,779	4,747
Other non-current assets		611	4,350	611	4,350
Total non-current assets		647,376	635,783	178,070	163,201
Total assets		1,037,569	1,009,935	568,263	537,353

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

(Unit: Thousand Baht)

	<u>Note</u>	Financial statements		Separate financial statements	
		in which the equity method is applied			
		As at	As at	As at	As at
		<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					
Trade and current payables	10	204,680	205,133	204,680	205,133
Current portion of lease liabilities	11	10,105	2,608	10,105	2,608
Other current liabilities		2,867	3,088	2,867	3,088
Total current liabilities		217,652	210,829	217,652	210,829
Non-current liabilities					
Lease liabilities - net of current portion	11	15,518	5,515	15,518	5,515
Deferred tax liabilities		18	18	18	18
Non - current provisions for employee benefit	12	12,159	12,661	12,159	12,661
Other non-current liabilities		1,644	1,644	1,644	1,644
Total non-current liabilities		29,339	19,838	29,339	19,838
Total liabilities		246,991	230,667	246,991	230,667

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

Moong Pattana International Public Company Limited

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	As at	As at	As at	As at
	<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)
Shareholders' equity				
Share capital				
Registered				
222,650,523 ordinary shares of Baht 1 each				
(31 December 2019: 222,650,523 ordinary shares of Baht 1 each)	222,651	222,651	222,651	222,651
Issued and fully paid up				
168,639,633 ordinary shares of Baht 1 each				
(31 December 2019: 168,639,633 ordinary shares of Baht 1 each)	168,640	168,640	168,640	168,640
Share subscription received in advance	-	-	-	-
Share premium	36,549	36,549	36,549	36,549
Surplus on share-based payment transactions	789	743	789	743
Retained earnings				
Appropriated - statutory reserve	17,025	17,025	17,025	17,025
Unappropriated	567,575	556,311	98,269	83,729
Total shareholders' equity	790,578	779,268	321,272	306,686
Total liabilities and shareholders' equity	1,037,569	1,009,935	568,263	537,353

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

Moong Pattana International Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2020

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

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales of goods		188,154	186,035	188,154	186,035
Commission income		3,109	3,053	3,109	3,053
Dividend income from associated company	6	-	-	18,808	23,509
Trade and other current receivables	7	4,312	4,600	4,312	4,600
Gain on sales of investment properties		-	49,987	-	49,987
Others		960	2,603	960	2,603
Total revenues		196,535	246,278	215,343	269,787
Expenses					
Cost of sales		118,606	102,976	118,606	102,976
Selling and distribution expenses		43,908	49,101	43,908	49,101
Administrative expenses		38,367	48,974	38,367	48,974
Total expenses		200,881	201,051	200,881	201,051
Profit before share of income from investment in associated company, finance cost and income tax expenses		(4,346)	45,227	14,462	68,736
Share of income from investment in associated company	6	15,532	15,504	-	-
Profit before finance cost and income tax expenses		11,186	60,731	14,462	68,736
Finance cost		(203)	(95)	(203)	(95)
Profit before income tax expenses		10,983	60,636	14,259	68,641
Income tax expenses	13	32	(8,309)	32	(8,309)
Profit for the period		11,015	52,327	14,291	60,332
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		11,015	52,327	14,291	60,332
Earnings per share	14				
Basic earnings per share		0.07	0.31	0.08	0.36
Diluted earnings per share		0.07	0.31	0.08	0.36

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

(Unaudited but reviewed)

Moong Pattana International Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

Financial statements in which equity method is applied

	Issued and paid-up share capital	Share subscription received in advance	Share premium	Surplus on share-based payment transactions	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2018	168,433	207	36,549	561	17,025	514,113	736,888
Increase share capital	207	(207)	-	-	-	-	-
Share-based payment transactions	-	-	-	49	-	-	49
Total comprehensive income for the period	-	-	-	-	-	52,327	52,327
Trade and other current receivables	168,640	-	36,549	610	17,025	566,440	789,264
Balance as at 1 January 2020 (Before Adjustment)	168,640	-	36,549	743	17,025	556,311	779,268
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	249	249
Balance as at 1 January 2020 - as restated	168,640	-	36,549	743	17,025	556,560	779,517
Increase share capital	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	46	-	-	46
Total comprehensive income for the period	-	-	-	-	-	11,015	11,015
Balance as at 31 March 2020	168,640	-	36,549	789	17,025	567,575	790,578

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

(Unaudited but reviewed)

Moong Pattana International Public Company Limited
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements						
				Surplus on	Retained earnings		
	Issued and paid-up	Share subscription		share-based	Appropriated		
	share capital	received in advance	Share premium	payment transactions	- statutory reserve	Unappropriated	Total
Balance as at 31 December 2018	168,433	207	36,549	561	17,025	68,740	291,515
Increase share capital	207	(207)	-	-	-	-	-
Share-based payment transactions	-	-	-	49	-	-	49
Total comprehensive income for the period	-	-	-	-	-	60,332	60,332
Trade and other current receivables	168,640	-	36,549	610	17,025	129,072	351,896
Balance as at 1 January 2020	168,640	-	36,549	743	17,025	83,729	306,686
Cumulative effect of change in accounting policy							-
(Note 2)	-	-	-	-	-	249	249
Balance as at 1 January 2020 -							-
as restated	168,640	-	36,549	743	17,025	83,978	306,935
Increase share capital	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	46	-	-	46
Total comprehensive income for the period	-	-	-	-	-	14,291	14,291
Balance as at 31 March 2020	168,640	-	36,549	789	17,025	98,269	321,272

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

Moong Pattana International Public Company Limited

Statement of cash flows

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Financial statements			
	in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	10,983	60,636	14,259	68,641
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	4,917	3,357	4,917	3,357
Trade and other current receivables	18	791	18	791
Allowance for diminution in value of inventories	661	566	661	566
Unrealised loss (gain) on exchange rate	(324)	(10)	(324)	(10)
(Gain) on sale of hired assets	749	(1,421)	749	(1,421)
(Gain) on sales of investment properties	-	(49,987)	-	(49,987)
Non - current provision for employee benefits (reversal)	266	238	266	238
Share-based payment transactions	46	49	46	49
Loss (Gain) on sales of current investment	316	-	316	-
Dividend received from investment in associated company	-	-	(18,808)	(23,509)
Dividend received from investment in other companies	(4,312)	(4,600)	(4,312)	(4,600)
Share of income from investment in associated company	(15,532)	(15,504)	-	-
Interest expenses	203	95	203	95
Profit (loss) from operating activities before changes in operating assets and liabilities	(2,009)	(5,790)	(2,009)	(5,790)
Operating assets decrease (increase)				
Trade and other current receivables	31,555	18,367	31,555	18,367
Inventories	(1,653)	(11,604)	(1,653)	(11,604)
Other current assets	(7,733)	(504)	(7,733)	(504)
Other non-current assets	3	10	3	10
Operating liabilities increase				
Trade and current payables	(129)	9,100	(129)	9,100
Other current liabilities	98	2,073	98	2,073
Non - current provisions for employee benefit	(768)	-	(768)	-
Cash flows from (used in) operating activities	19,364	11,652	19,364	11,652
Cash paid for interest expenses	(203)	(95)	(203)	(95)
Cash paid for income tax	(319)	(1,069)	(319)	(1,069)
Net cash flows from (used in) operating activities	18,842	10,488	18,842	10,488

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

Trade and current payables

(Unaudited but reviewed)

Moong Pattana International Public Company Limited

Cash flows statement (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which equity method is applied			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Cash received from sale current investment	64,000	-	64,000	-
Cash paid for current investment	(27,000)	-	(27,000)	-
Dividend received from investment in associated company	18,808	23,509	18,808	23,509
Dividend received from investment in other companies	4,312	1,000	4,312	1,000
Proceeds on sales of motor vehicle	-	1,449	-	1,449
Proceeds on sales of investment properties	-	78,000	-	78,000
Acquisition of hired assets	(35)	(50)	(35)	(50)
Increase in intangible assets	-	(12)	-	(12)
Net cash flows from investing activities	<u>60,085</u>	<u>103,896</u>	<u>60,085</u>	<u>103,896</u>
Cash flows from financing activities				
Repayment of lease liabilities	(3,155)	(2,323)	(3,155)	(2,323)
Net cash flows used in financing activities	<u>(3,155)</u>	<u>(2,323)</u>	<u>(3,155)</u>	<u>(2,323)</u>
Net increase in cash and cash equivalents	75,772	112,061	75,772	112,061
Cash and cash equivalents at beginning of period	26,644	16,152	26,644	16,152
Cash and cash equivalents at end of period	<u>102,416</u>	<u>128,213</u>	<u>102,416</u>	<u>128,213</u>
	-		-	

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

Moong Pattana International Public Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 Corporate information

Moong Pattana International Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of baby and infant products and other products, and its registered address is at No. 2/97-104, 18th-19th Floor, Bangnacomplex Office Tower, Soi Bangna-Trad 25, Bangnanuea, Bangna, Bangkok and a branch located at 444/11, Moo 7, Bangpha, Bangplee, Samutprakarn.

1.2 Basis for the preparation of the 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, 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.

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

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods 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 Company'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 cumulative effect of the change is described in Note 2 to the interim 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 using similar principles to those used under TAS 17.

The Company 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 interim financial statements.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. 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 Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

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

As described in Note 1.3 to the interim financial statements, during the current period, the Company has adopted a set financial reporting standard related to financial instruments. The Company has elected to adjust the cumulative effect of initially applying the new standards related to impairment to retained earnings as at 1 January 2020.

For adoption of TFRS 16, The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated. The Company has elected to apply this standard to the leases previously classified as operating leases by recognition right-of-use assets as lease-by-lease basis. The carrying amount of the right-of-use assets at if the Standard had been applied since the commence date; but discounted using the lessee’s incremental borrowing rate as at 1 January 2020.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings of 2020 from change in accounting policy due to the adoption of this standard are presented as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/			
	Separate financial statements			
	The impacts of TFRS			1 January 2020
	31 December 2019	Group of financial instruments	TFRS 16	
Statement of financial position				
Assets				
Trade and current receivables	215,990	(433)		215,557
Non-current assets				
Buildings and equipment	30,411		(9,695)	20,716
Right-of-use assets	-		33,937	33,937
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	2,608		8,588	11,196
Non-current liabilities				
Lease liabilities - net of current portion	5,515		11,479	16,994
Shareholders' equity				
Financial statements in which the equity method is applied				
Retained earnings - unappropriated	83,729	433	(184)	83,978
Separate financial statements				
Retained earnings - unappropriated	556,311	433	(184)	556,560

3. Significant accounting policies

The interim financial information is 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.

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 Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

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 Company 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 Company 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 or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

Leases

Right-of-use assets

The Company 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 Company 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 Company 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 Company'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.

4. Related party transactions

During the periods, the Company 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 Company and those companies.

(Unit: Million Baht)

	For the three-month periods ended 31 March		Pricing policy
	2020	2019	
<u>Transactions with associated company</u>			
Purchases of goods	34	40	Cost plus margin
<u>Transactions with related companies</u>			
Purchases of goods	22	24	Cost plus margin
Commission income	2	2	0.3 percent of net selling price of product sold and 1.5 percent of costs of service rendered
Advisory fee	1	1	Agreed rate
<u>Transactions with related person</u>			
Rental fee	1	1	Agreed rate

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)	
	31 March 2020	31 December 2019
current receivables - related parties (Note 5)		
Associated company	-	3,899
Related companies (related by common directors)	5,607	3,383
Total current receivables - related parties	5,607	7,282
Trade payables - related parties (Note 10)		
Associated company	48,449	47,719
Related companies (related by common directors)	28,294	20,350
Total trade payables - related parties	76,743	68,069

Directors and management's remuneration

During the three-month periods ended 31 March 2020 and 2019, the Company had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)	
	2020	2019
Short-term employee benefits	7,793	7,815
Post-employment benefits	112	113
Total	7,905	7,928

5. Trade and current receivables

The balances of trade and current receivables as at 31 March 2020 and 31 December 2019 aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)	
	31 March 2020	31 December 2019
Trade receivables - unrelated parties		
Net yet due	124,678	154,279
Past due		
Not over 3 months	49,242	51,235
3 - 6 months	557	613
6 - 12 months	313	456
Over 12 months	355	258
Total	175,145	206,841
Less: Allowance for doubtful accounts	(507)	(893)
Total trade receivables – net	174,638	205,948
current receivables		
current receivables - related parties (Note 4)	5,606	7,282
Others	4,858	3,042
Total	10,464	10,324
Less: Allowance for doubtful accounts	(252)	(282)
Total current receivables – net	10,212	10,042
Total trade and current receivables - net	184,850	215,990

6. Investment in associated company**6.1 Detail of associate:**

(Unit: Thousand Baht)									
Company's Name	Nature of Business	Paid up share Capital		Percentage of Shareholding		Investment in associated company under equity method		Investment in associated company under cost method	
		31 March 2020	31 December 2019	31 March 2020 (%)	31 December 2019 (%)	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Thai Pigeon Company Limited	Manufacture and distributio of baby and infant products	122,000	122,000	47	47	527,481	503,756	58,174	58,174
Total						527,481	503,756	58,174	58,174

6.2 Share of comprehensive income and dividend received

During the period, the Company has recognised its share of profit from investment in associate company in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)							
For the three-month periods ended 31 March							
Company's name	Financial statements in which the equity method is applied				Separate financial statements		
	Share of other comprehensive income from investment in associate				Dividend received		
	Share of profit from investment in associate						
	2020	2019	2020	2019	2020	2019	
Thai Pigeon Company Limited	15,532	15,504	-	-	18,808	23,509	

(Unaudited but reviewed)

7. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid up share capital		Percentage of Shareholding		Other long-term investments under cost method		Dividend received For the three-month periods	
		31	31	31	31	31	31		
		March	December	March	December	March	December	ended 31 March	
		2020	2019	2020	2019	2020	2019	2020	2019
				(%)	(%)				
Yoshino Moong Pattana (Thailand) Company Limited	Manufacture of plastic and plastic coated products	300,000	300,000	6	6	21,332	21,332	3,312	3,600
Pigeon Industries (Thailand) Company Limited	Manufacture an distribution of breast pad and baby wipes products	144,000	144,000	2.5	2.5	3,600	3,600	1,000	1,000
Total						24,932	24,932	4,312	4,600

8. Plant and equipment

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

(Unit: Thousand Baht)

Net book value as at 31 December 2019	30,411
Transfer to right-of-use assets	(9,695)
Net book value as at 1 January 2020	20,716
Acquisitions during the period - at cost	35
Disposal during the period - at cost	(749)
Depreciation for the period	(1,392)
Net book value as at 31 March 2020	18,610

9. Right-of-use assets

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

(Unit: Thousand Baht)

Net book value as at 31 December 2019	-
Adjustments of right-of-use assets due to TFRS 16 initial adoption	33,937
Net book value as at 1 January 2020	33,937
Acquisitions - at cost	-
Transfer from property, building and equipment	-
Amortisation	(2,737)
Net book value as at 31 March 2020	<u>31,200</u>

10. Trade and current payables

(Unit: Thousand Baht)

	31 March 2020	31 December 2019
Trade payables - related parties (Note 4)	76,743	68,069
Trade payables - unrelated parties	53,542	51,620
current payables	21,812	26,688
Accrued expenses	52,583	58,756
Total trade and current payables	<u>204,680</u>	<u>205,133</u>

(Unaudited but reviewed)

11. Lease liabilities

	(Unit: Thousand Baht)	
	31 March 2020	31 December 2019
Lease liabilities under lease agreements	26,791	8,728
Less: Deferred interest expenses	(1,168)	(605)
Total	25,623	8,123
Less: Portion due within one year	(10,105)	(2,608)
Lease liabilities under lease agreements - net of current portion	15,518	5,515

The Company has entered into the lease agreements for rental of motor vehicles and office building for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of the agreements is generally 3-5 years.

Future minimum lease payments required under the non-cancellable lease agreements are as follows:

	(Unit: Thousand Baht)		
	As at 31 March 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	10,732	16,059	26,791
Deferred interest expenses	(627)	(541)	(1,168)
Present value of future minimum lease payments	10,105	15,518	25,623

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,917	5,811	8,728
Deferred interest expenses	(309)	(296)	(605)
Present value of future minimum lease payments	2,608	5,515	8,123

12 Non – current provisions employee benefit

Presented below is a summary of movements in non – current provisions employee benefit during the three-month period ended 31 March 2020.

	(Unit: Thousand Baht)		
	Employee retirement benefits	Other long-term employee benefits	Total
Balance as at 1 January 2020	11,933	728	12,661
Add: Recognition during period	242	24	266
Less: Payment during the period	(654)	(114)	(768)
Balance as at 31 March 2020	11,521	638	12,159

13. Income tax

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

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

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied / Separate financial statements	
	For the three-month periods ended 31 March	
	2020	2019
Current income tax:		
Corporate income tax for the period	-	8,475
Deferred tax:		
Relating to origination and reversal of temporary differences	(32)	(166)
Income tax expenses reported in the statements of comprehensive income	(32)	8,309

14. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period.

The following table sets forth the computation of basic and diluted earnings per share:

	Financial statements in which equity method is applied					
	Profit for the three-		Weighted average		Earnings	
	month		number of ordinary		per share	
	periods ended 31		shares			
	March					
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	11,015	52,327	168,639	168,639	0.07	0.31
Effect of dilutive potential ordinary shares						
Warrant No.1	-	-	-	-		
ESOP	-	-	(35)	169		
Diluted earnings per share						
Profit attributable to ordinary shareholders						
assuming the conversion of warrants to ordinary shares	<u>11,015</u>	<u>52,327</u>	<u>168,604</u>	<u>168,808</u>	0.07	0.31

Separate financial statements						
	Profit for the		Weighted average		Earnings	
	three-month		number of ordinary		per share	
	periods ended 31 March		shares			
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	14,291	60,332	168,639	168,639	0.08	0.36
Effect of dilutive potential ordinary shares						
Warrant No.1	-	-	-	-		
ESOP	-	-	(35)	169		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	14,291	60,332	168,604	168,808	0.08	0.36

15. 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.

For management purposes, the Company is organised into business units based on its product categories and has the following two reportable segments:

1. Distribution of baby and infant products
2. Distribution of other products

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

(Unaudited but reviewed)

(Unit: Million Baht)

Financial statements in which equity method is applied
for the three-month periods ended 31 March

	Distribution of baby and infant products		Distribution of other products		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
Revenue from external customers	111	147	77	39	188	186
Total revenues	111	147	77	39	188	186
Segment profit	18	27	7	7	25	34
Unallocated income (expenses):						
Commission income					3	3
Dividend income from other companies					4	5
Gain on sales of investment properties					-	50
Other income					1	2
Administrative expenses					(38)	(49)
Share of profit from investment in associated company					16	15
Profit before income tax expenses					11	60
Income tax expenses					-	(8)
Profit for the period					11	52

16. Commitments and contingent liabilities**16.1 Operating lease commitments**

The Company has entered into several lease agreements in respect of the lease of building, equipment and relating services. The terms of the agreements are generally between 1 and 7 years.

Future minimum lease payments under these non-cancellable operating leases agreements were as follows.

	(Unit: Million Baht)	
	31 March 2020	31 December 2019
Payable:		
less than 1 year	11	12
In over 1 and up to 5 years	17	20
In over 5 years	-	-

16.2 Hire a specialist commitment

The Company has entered into an agreement to hire a specialist with a local related company (related by shareholders and directors).

As at 31 March 2020, the Company has future commitments to pay an advisory fee within one year under this agreement totaling of Baht 0.7 million (31 December 2019: Baht 2 million).

16.3 Marketing research service agreements commitment

The Company has entered into agreements with two local companies in respect of marketing research of the Company's products. The terms of the agreements are generally between 2 and 5 years.

Future service fee payable under these agreements as at 31 March 2020 was approximately Baht 6 million (31 December 2019: Baht 7 million).

16.4 Long-term service commitment

The Company has entered into an agreement with an overseas company (which is the major shareholder of the associated company) regarding using the trademark of that company. Under this agreement, the Company is to pay this company royalty fee determined at 3 percent of the sales of that goods. The royalty fees under this agreement for the three-month period ended 31 March 2020 amounting to approximately Baht 6 million (for the three-month period ended 31 March 2019: Baht 7 million) were recognised as expenses.

17. Events after the reporting period.

On 27 April 2020, the Annual General Meeting of the Company's shareholders for 2020 passed resolutions as follows:

- 1) The payment of a dividend of Baht 0.26 per share from operating results of the year 2018, totaling approximately Baht 43.85 million.
- 2) The increase in the Company's registered share capital under a general mandate of Baht 52.59 million.
- 3) Issue and offer 2 million warrants to purchase the Company's ordinary shares to the Company's Board of Directors, management and employees (ESOP#2) free of charge.
- 4) A decrease in the Company's registered share capital from Baht 222.65 million (170.06 million ordinary shares of Baht 1 each) to Baht 170.06 million
- 5) An increase in the Company's registered share capital from Baht 170.06 million (170.06 million ordinary shares of Baht 1 each) to Baht 222.65 million (222.65 million ordinary shares of Baht 1 each) by issuing 52.59 million new ordinary shares at a par value of Baht 1 each by consider to allocation as follows:

(Unaudited but reviewed)

- 5.1) Allocate 50.59 million of newly issued ordinary shares to support the capital increase under a general mandate in proportion to their existing shareholding (Right Offering).
- 5.2) Allocate 2 million of newly issued ordinary shares to support the exercise of the ESOP#2.

18. Approval of interim financial statements

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