

**Selic Corp Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2019
and
Independent auditor's report on
review of interim financial information



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Independent auditor's report on review of interim financial information

To the Board of Directors of Selic Corp Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Selic Corp Public Company Limited and its subsidiaries, and of Selic Corp Public Company Limited, respectively, as at 31 March 2019; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019; and condensed notes ("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".



Other Matter

The consolidated and separate statements of financial position of Selic Corp Public Company Limited and its subsidiaries, and of Selic Corp Public Company Limited as at 31 December 2018, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated 27 February 2019. Furthermore, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows of Selic Corp Public Company Limited and its subsidiaries, and of Selic Corp Public Company Limited, for the three-month period ended 31 March 2018, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 9 May 2018.

D. Yi

(Dussanee Yimsuwan)
Certified Public Accountant
Registration No. 10235

KPMG Phoomchai Audit Ltd.
Bangkok
14 May 2019

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		125,780	210,781	59,609	199,373
Trade accounts receivable	3, 4, 5, 13	306,815	125,972	137,691	139,704
Other receivables	4, 13	14,803	4,435	6,085	4,410
Inventories	3	291,870	79,229	92,583	79,229
Other current assets	13	13,172	14,230	2,725	4,639
Total current assets		752,440	434,647	298,693	427,355
Non-current assets					
Investments in subsidiaries	3, 6	-	-	1,039,997	9,997
Property, plant and equipment	3	340,815	102,064	98,020	102,062
Goodwill	3	378,310	-	-	-
Intangible assets	3	167,026	4,521	4,188	4,521
Deferred tax assets	7	5,593	2,320	3,070	2,320
Other non-current assets		1,032	1,040	1,023	1,040
Total non-current assets		892,776	109,945	1,146,298	119,940
Total assets	9	1,645,216	544,592	1,444,991	547,295

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Short-term loans from					
financial institutions	8	45,995	67,216	45,995	67,216
Trade accounts payable	13	204,617	96,002	113,169	96,002
Other payables	4, 13	235,468	21,960	216,257	21,871
Current portion of long-term loans					
from financial institution	8	89,534	-	19,943	-
Current portion of finance lease					
liabilities	8	2,564	995	875	995
Current tax payable		16,691	-	1,224	-
Other current liabilities	13	1,513	661	511	661
Total current liabilities		596,382	186,834	397,974	186,745
Non-current liabilities					
Long-term loans from					
financial institutions	8	607,098	-	179,087	-
Long-term loan from related party	8	-	-	500,000	-
Finance lease liabilities	8	767	362	238	362
Deferred tax liabilities	3, 7	56,347	-	-	-
Non-current provisions for					
employee benefits		11,498	8,088	8,817	8,088
Total non-current liabilities		675,710	8,450	688,142	8,450
Total liabilities	9	1,272,092	195,284	1,086,116	195,195

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Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Liabilities and equity	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Equity				
Share capital				
Authorised share capital	140,000	140,000	140,000	140,000
Issued and paid-up share capital	140,000	140,000	140,000	140,000
Share premium on ordinary shares	177,835	177,835	177,835	177,835
Retained earnings				
Appropriated				
Legal reserve	3,030	3,030	3,030	3,030
Unappropriated	52,363	28,441	38,010	31,235
Other components of equity	(106)	-	-	-
Equity attributable to owners of the parent	373,122	349,306	358,875	352,100
Non-controlling interests	2	2	-	-
Total equity	373,124	349,308	358,875	352,100
 Total liabilities and equity	 1,645,216	 544,592	 1,444,991	 547,295

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sale of goods	4, 9	357,415	142,325	151,303	140,623
Other income	4	1,916	694	10,408	694
Total revenue		359,331	143,019	161,711	141,317
Expenses					
Cost of sales of goods	4	268,990	106,908	114,658	106,872
Distribution costs		7,474	2,824	3,270	2,607
Administrative expenses	4, 13	42,762	31,131	24,199	29,700
Net foreign exchange loss	13	673	1,495	562	663
Finance costs	4	10,395	51	11,496	51
Total expenses		330,294	142,409	154,185	139,893
Profit before tax expense	9	29,037	610	7,526	1,424
Tax expense		(5,115)	(171)	(751)	(171)
Profit for the period		23,922	439	6,775	1,253
Profit attributable to:					
Owners of the parent		23,922	439	6,775	1,253
Non-controlling interests		-	-	-	-
Profit for the period		23,922	439	6,775	1,253
Basic earnings per share (in Baht)	10	0.085	0.002	0.024	0.004

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	(in thousand Baht)			
Profit for the period	23,922	439	6,775	1,253
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(106)	-	-	-
Other comprehensive income (expense) for the period	(106)	-	-	-
Total comprehensive income for the period	<u>23,816</u>	<u>439</u>	<u>6,775</u>	<u>1,253</u>
Total comprehensive income attributable to:				
Owners of the parent	23,816	439	6,775	1,253
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	<u>23,816</u>	<u>439</u>	<u>6,775</u>	<u>1,253</u>

The accompanying notes are an integral part of these financial statements

Consolidated financial statements

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements					Total equity
	Retained earnings	Share premium on ordinary shares	Legal reserve	Translating foreign operations	Equity attributable to owners of the parent	
	Issued and paid-up share capital				Non-controlling interests	

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements				
	Retained earnings				Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in thousand Baht)	Unappropriated	
Three-month period ended 31 March 2018					
Balance at 1 January 2018	140,000	177,835	3,030	44,484	365,349
Comprehensive income for the period					
Profit for the period	-	-	-	1,253	1,253
Total comprehensive income for the period	-	-	-	1,253	1,253
Balance at 31 March 2018	140,000	177,835	3,030	45,737	366,602

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements				
	Retained earnings				Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in thousand Baht)	Unappropriated	
Three-month period ended 31 March 2019					
Balance at 1 January 2019	140,000	177,835	3,030	31,235	352,100
Comprehensive income for the period					
Profit for the period	-	-	-	6,775	6,775
Total comprehensive income for the period	-	-	-	6,775	6,775
Balance at 31 March 2019	140,000	177,835	3,030	38,010	358,875

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
Note	2019	2018	2019	2018
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the period	23,922	439	6,775	1,253
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	5,115	171	751	171
Finance costs	10,395	51	11,496	51
Depreciation and amortisation	11,857	5,842	5,649	5,839
Provisions expense for employee benefits	1,008	681	729	681
Unrealised loss on exchange	1,468	1,067	1,013	626
Reversal of doubtful debts expenses	5	(70)	-	(821)
Reversal of losses on inventories devaluation	(372)	-	(372)	-
(Gain) loss on disposal of plant and equipment	(1,121)	97	(1,121)	97
Interest income	(73)	(204)	(72)	(204)
	52,129	7,323	24,848	7,693
Changes in operating assets and liabilities				
Trade accounts receivable	(19,275)	15,738	1,759	14,667
Other receivables	(1,058)	(1,667)	(1,608)	(1,643)
Inventories	(22,351)	(6,974)	(12,982)	(7,010)
Other current assets	2,030	1,486	1,914	2,261
Other non-current assets	17	(585)	17	(585)
Trade accounts payable	48,029	(3,700)	17,145	(3,023)
Other payables	(11,241)	(2,244)	(12,838)	(2,615)
Other current liabilities	(1,678)	322	(150)	307
Provisions for employee benefits paid	-	(1,350)	-	(1,350)
Net cash generated from operating	46,602	8,349	18,105	8,702
Taxes paid	(365)	(26)	(276)	(26)
Net cash from operating activities	46,237	8,323	17,829	8,676

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	3, 6	(787,677)	-	(824,000)	-
Acquisition of plant and equipment		(6,926)	(3,984)	(1,274)	(3,984)
Proceeds from sale of equipment		1,121	46	1,121	46
Acquisition of intangible assets		(1,013)	-	-	-
Interest received		5	204	4	204
Net cash used in investing activities		(794,490)	(3,734)	(824,149)	(3,734)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions	8	20,499	200	995	200
Repayment of short-term borrowings from financial institutions	8	(45,212)	-	(22,216)	-
Proceeds from long-term borrowings from financial institutions	8	700,000	-	200,000	-
Payment of borrowing fee for long-term borrowings from financial institution		(3,500)	-	(1,000)	-
Proceeds from long-term borrowings from related party	8	-	-	500,000	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	8	(800)	(252)	(262)	(252)
Interest paid		(7,210)	(52)	(10,651)	(52)
Net cash from (used in) financing activities		663,777	(104)	666,866	(104)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates					
		(84,476)	4,485	(139,454)	4,838
Effect of exchange rate changes on cash and cash equivalents					
		(525)	-	(310)	-
Net increase (decrease) in cash and cash equivalents					
		(85,001)	4,485	(139,764)	4,838
Cash and cash equivalents at 1 January		210,781	121,528	199,373	108,396
Cash and cash equivalents at 31 March		125,780	126,013	59,609	113,234
Non-cash transactions					
Consideration payable for investment	3	206,000	-	206,000	-

The accompanying notes are an integral part of these financial statements

Selic Corp Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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Selic Corp Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors of the Company on 14 May 2019.

1 General information

Selic Corp Public Company Limited, the “Company”, is incorporated in Thailand and has its registered offices at 270 Liapkhlongphasicharoenfangtai Road, Nong Khaem, Bangkok, Thailand.

The Company was listed on the Market for Alternative Investment (“MAI”) on 18 October 2016.

The Company’s major shareholders during the financial period were Mr. Narong Suwatthanaphim (29.64% shareholding) and Mr. Ek Suwatthanaphim (24.96% shareholding). Both persons were directors of the Company.

The principal activities of the Company and subsidiaries (“the Group”) are production and distribution of adhesives used in industrial including self-adhesive label for domestic and international markets. Details of the Company’s subsidiaries as at 31 March 2019 and 31 December 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2019	31 December 2018
E.V.A International Co., Ltd.	Wholesales of industrial chemicals	Thailand	99.97	99.97
PMC Label Materials Co., Ltd.	Production and distribution of self-adhesive label	Thailand	99.99	-
PMC Label Materials Pte. Ltd.	Distribution of self-adhesive label	Singapore	100.00	-

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2018) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2018.

Selic Corp Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019. The primary change is that the Group has initially adopted TFRS 15 *Revenue from Contracts with Customers* ("TFRS 15"), which replaced TAS 18 *Revenue* ("TAS 18"), TAS 11 *Construction Contracts* ("TAS 11") and related interpretations.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

For a number of new and revised TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 14.

(b) *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018, except for fair value measurement of assets acquired and liabilities assumed at the acquisition date as disclosed in note 3.

3 **Acquisitions of subsidiaries**

On 4 January 2019, the Group purchased 100% of the ordinary shares of PMC Label Materials Co., Ltd. ("PMCT"), a manufacturer and distributor of self-adhesive label which is incorporated in Thailand, and PMC Label Materials Pte. Ltd. ("PMCS"), a distributor of self-adhesive label in Singapore and Malaysia which is incorporated in Singapore, for a total consideration of Baht 1,030 million. The transaction was accounted for a business combination.

Taking control of PMC Label Materials Co., Ltd. and PMC Label Material Pte. Ltd., downstream business of the Group, will enable the Group to expand its market to other industrial market through label production and enhance the Group's capabilities to develop new products, including broaden the Group's distribution channel and customer base in international market.

Selic Corp Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

The Group has engaged the independent appraisers to determine the fair values of identifiable assets acquired and liabilities assumed which were mainly property, plant and equipment, and intangible assets. The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, then the acquisition accounting will be revised.

Identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	PMCT	Fair value PMCS (in thousand Baht)	Total
Cash and cash equivalents	21,388	14,935	36,323
Trade accounts receivable	144,015	17,883	161,898
Inventories	179,739	10,206	189,945
Property, plant and equipment	239,589	2,331	241,920
Intangible assets	146,370	16,890	163,260
Other receivables and other assets	9,012	1,239	10,251
Short-term loans from financial institutions	(3,493)	-	(3,493)
Finance lease liabilities	(2,601)	-	(2,601)
Trade accounts payable	(55,292)	(5,159)	(60,451)
Deferred tax liabilities - net	(50,878)	(3,774)	(54,652)
Non-current provisions for employee benefits	(2,402)	-	(2,402)
Other payables and other liabilities	(27,131)	(1,177)	(28,308)
Total identifiable net assets received	598,316	53,374	651,690
Goodwill arising from the acquisition	328,684	49,626	378,310
Purchase consideration transferred	927,000	103,000	1,030,000
Cash acquired			(36,323)
Net cash outflows			993,677
<i>Less consideration payable</i>			<i>(206,000)</i>
Net cash outflows in 2019			787,677

The trade receivables comprise gross contractual amounts due of Baht 163.7 million, of which Baht 1.8 million was expected to be uncollectible at the acquisition date.

The consideration payable will be paid to the former shareholders who sold the shares to the Group when the terms and conditions in the Share Sale and Purchase Agreement are met. Under such terms, the payment shall be made by 2 installments which are expected to pay in 2020 and 2021.

The assets, liabilities and operating results have been included in the Group's consolidated interim financial statement for the three-month period ended 31 March 2019 since the acquisition date. During the period from acquisition date to 31 March 2019, the subsidiaries contributed revenue of Baht 220.7 million and profit of Baht 22.7 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue and consolidated profit for the three-month period ended 31 March 2019 would have increased by Baht 205.6 million and Baht 17.3 million, respectively.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 20.7 million. Most acquisition costs have been occurred during the year 2018 and included in administrative expenses in the Group's consolidated statement of income for the year ended 31 December 2018 totaling Baht 20.5 million and for the three-month period ended 31 March 2019 totaling Baht 0.2 million (31 March 2018: nil).

Selic Corp Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Individuals/entities	Country of incorporation/ nationality	Nature of relationships
E.V.A. International Co., Ltd.	Thailand	Subsidiaries, 99.97% shareholding
PMC Label Materials Co., Ltd.	Thailand	Subsidiaries, 99.99% shareholding
PMC Label Materials Pte. Ltd.	Singapore	Subsidiaries, 100% shareholding
Trade Ally International Co., Ltd.	Thailand	A person or a close member of that director's family as director and common director
Trade Ally International Pte. Ltd.	Singapore	A person or a close member of that director's family as director and common director
S.O.M. International Co., Ltd.	Thailand	A person or a close member of that director's family as director and common directors
News EVA Co., Ltd.	Thailand	A person or a close member of that director's family as director and common directors
Big Jet Travel Co., Ltd.	Thailand	A person or a close member of that director's family as director and common director
International Legal Counsellors Thailand Ltd.	Thailand	A person or a close member of that director's family as director
Narongwong Group Co., Ltd.	Thailand	A person or a close member of that director's family as director and common director
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods/Purchase of goods	Price approximated market price
Management service income	Mutually agreed amount
Land and building rental	Mutually agreed price referenced to the valuation of an independent appraiser
Consultant fee	Mutually agreed amount
Management personnel compensation	Mutually agreed amount
Interest expense	Contract price based on market
Loan guarantee	Free of charge

Selic Corp Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Significant transactions for the three-month period ended 31 March with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	3,913	11,035
Management service income	-	-	8,700	-
Cost of sales of goods	-	-	5	-
Administrative expenses	-	-	200	-
Finance costs	-	-	8,125	-
Other related parties				
Revenue from sale of goods	2,658	-	-	-
Other income	47	-	-	-
Administrative expenses	208	-	208	-
Legal consulting fee	67	-	67	-
Land and building rental expense	767	-	767	-
Key management personnel				
Land and building rental expense	-	767	-	767
Consulting fee	428	428	428	428
Key management personnel compensation				
Short-term employee benefit	7,683	6,822	4,287	5,859
Post-employment benefits	238	103	199	103
Other benefits	71	-	71	-
Total	7,992	6,925	4,557	5,962

Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiary				
E.V.A. International Co., Ltd.	-	-	25,451	26,840
Other related parties				
Trade Ally International Co., Ltd.	1,099	-	-	-
Trade Ally International Pte. Ltd.	6,623	-	-	-
Total	7,722	-	25,451	26,840

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Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Key management personnel	25	-	25	-

Long-term loan from related party

On 30 January 2019, the Company has entered into a long-term loan agreement with PMC Label Materials Co., Ltd. with a credit facility of Baht 500 million. This loan bears interest rate at MLR plus margin per annum in the first year and MLR less margin per annum in the subsequent year, and is repayable on demand. The objective of the loan is for repayment of short-term loan (Bridge loan) from a financial institution used as source of fund for business acquisition as described in note 3. As at 31 March 2019, the credit facility has been fully utilised.

Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Other related party				
Narongwong Group Co., Ltd.	490	-	490	-
Key management personnel	224	453	224	453
Total	714	453	714	453

Significant agreements with related parties

As at 31 March 2019, the Group has significant agreements with related parties as follows:

Land and building rental agreement

The Company has land and building rental agreement with a related party for being the operating location. The agreement is effective for 15 years and ending in June 2031 with total rental fee for the year 2019 of Baht 2.9 million (*for the year 2018 of Baht 2.9 million*). The rate will be adjusted every 5 years.

Management service agreement

The Company has management service agreement with a related party. The agreement is effective from date as specified in the agreement with a service fee as stipulated in the agreement and shall be automatically extended for one additional year unless terminated by either party upon giving 30 days advance notice.

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5 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		<i>(in thousand Baht)</i>			
Related parties	4	7,722	-	25,451	26,840
Other parties		301,232	126,334	112,240	112,864
Total		308,954	126,334	137,691	139,704
Less allowance for doubtful accounts		(2,139)	(362)	-	-
Net		306,815	125,972	137,691	139,704
Reversal of allowance for doubtful debts for the three-month period ended 31 March		(70)	-	-	-

Aging analysis for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms		1,138	-	10,643	19,117
Overdue:					
Less than 3 months		2,672	-	12,661	4,207
3 - 6 months		2,507	-	2,147	-
6 - 12 months		1,405	-	-	3,516
	4	7,722	-	25,451	26,840
Other parties					
Within credit terms		201,075	96,437	87,934	89,691
Overdue:					
Less than 3 months		85,108	24,518	20,272	19,942
3 - 6 months		11,954	4,374	3,715	3,231
6 - 12 months		929	616	319	-
Over 12 months		2,166	389	-	-
		301,232	126,334	112,240	112,864
Less allowance for doubtful accounts		(2,139)	(362)	-	-
		299,093	125,972	112,240	112,864
Net		306,815	125,972	137,691	139,704

The normal credit terms granted by the Group ranges from 30 to 120 days.

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6 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
At 1 January		9,997	1,000
Acquisition of subsidiaries	3	1,030,000	-
At 31 March		<u>1,039,997</u>	<u>1,000</u>
At 31 December			<u>9,997</u>

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Investments in subsidiaries as at 31 March 2019 and 31 December 2018, and dividend income for the three-month period ended 31 March were as follows:

	Ownership interest 31 March 2019	31 December 2018	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
	%		(in thousand)				(in thousand Baht)					
Subsidiaries												
E.V.A. International Co., Ltd.	99.97	99.97	10,000	10,000	9,997	9,997	-	-	9,997	9,997	-	-
PMC Label Materials Co., Ltd.	99.99	-	100,000	100,000	927,000	-	-	-	927,000	-	-	-
PMC Label Materials Pte. Ltd.												
(Paid-up capital in Singapore Dollars)	100	-	2	2	103,000	-	-	-	103,000	-	-	-
Total					<u>1,039,997</u>	<u>9,997</u>	<u>-</u>	<u>-</u>	<u>1,039,997</u>	<u>9,997</u>	<u>-</u>	<u>-</u>

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

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7 Deferred tax

Movements in total deferred tax assets and liabilities for the three-month periods ended 31 March were as follows:

	Consolidated financial statements					At 31 March 2019
	At 1 January 2019	(Charged) / Credited to:	Other comprehensive income (in thousand Baht)	Acquired in business combination	Exchange differences	
Deferred tax assets						
Trade accounts receivable	-	(14)	-	369	-	355
Inventories	612	123	-	1,428	-	2,163
Provisions for employee benefits	1,617	202	-	481	-	2,300
Tax loss carried forward	-	748	-	-	-	748
Others	91	(64)	-	-	-	27
Total	2,320	995	-	2,278	-	5,593
Deferred tax liabilities						
Property, plant and equipment	-	308	-	(24,926)	(1)	(24,619)
Property, plant and equipment	-	276	-	(32,004)	-	(31,728)
Intangible assets	-	276	-	(32,004)	-	(31,728)
Total	-	584	-	(56,930)	(1)	(56,347)
Net	2,320	1,579	-	(54,652)	(1)	(50,754)

	Consolidated financial statements					At 31 March 2018
	At 1 January 2018	(Charged) / Credited to:	Other comprehensive income (in thousand Baht)	Acquired in business combination	Exchange differences	
Deferred tax assets						
Trade accounts receivable	19	(1)	-	-	-	18
Provisions for employee benefits	2,116	(178)	-	-	-	1,938
Others	61	8	-	-	-	69
Total	2,196	(171)	-	-	-	2,025

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For the three-month period ended 31 March 2019 (Unaudited)

	At 1 January 2019	Separate financial statements (Charged) / Credited to:		At 31 March 2019
		Profit or loss (in thousand Baht)	Other	
			comprehensive income	
Deferred tax assets				
Inventories	612	(74)	-	538
Provisions for employee benefits	1,617	146	-	1,763
Tax loss carried forward	-	748	-	748
Others	91	(70)	-	21
Total	2,320	750	-	3,070

	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 March 2018
		Profit or loss (in thousand Baht)	Other	
			comprehensive income	
Deferred tax assets				
Trade accounts receivable	19	(1)	-	18
Provisions for employee benefits	2,116	(178)	-	1,938
Others	61	8	-	69
Net	2,196	(171)	-	2,025

A subsidiary has not recognised deferred tax assets from tax loss of Baht 2.6 million (31 December 2018: Baht 2.4 million) because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom. The tax loss will expire in 2024 (31 December 2018: expire in 2023).

8 Changes in liabilities arising from financing activities

Significant changes in liabilities arising from financing activities for the three-month period ended 31 March 2019 were as follows:

	Consolidated financial statements			Total
	Loans from financial institutions	Loan from related party	Finance lease liabilities	
		(in thousand Baht)		
Balance at 1 January 2019	67,216	-	1,357	68,573
Changes from financing cash flows	675,287	-	(800)	674,487
Other non-cash movement	124	-	2,774	2,898
Balance at 31 March 2019	742,627	-	3,331	745,958

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	Loans from financial institutions	Separate financial statements		Total
		Loan from related party (in thousand Baht)	Finance lease liabilities	
Balance at 1 January 2019	67,216	-	1,357	68,573
Changes from financing cash flows	177,779	500,000	(262)	677,517
Other non-cash movement	30	-	18	48
Balance at 31 March 2019	245,025	500,000	1,113	746,138

Long-term loans from financial institution

The Company and PMC Label Materials Co., Ltd., a subsidiary, have entered into long-term loan agreements with a local financial institution dated on 4 January 2019 and 2 January 2019, respectively, for a total credit facility of Baht 900 million. The objective of the loan is to use as source of fund for business acquisition as described in note 3. The loans bear interest rate at MLR less margin per annum and shall be repayable in 95 monthly equally installments commencing from July 2019. As at 31 March 2019, the Group has unutilised credit facility of Baht 200 million.

The Group's land, machinery, inventories, shares issued by the Company and the subsidiary and claim to receive payment from debtors were used as collateral to secure long-term loans and guarantee by the Company and the subsidiary.

Under the terms and conditions of the agreements of long-term loans from financial institution, the Group and the Company shall comply on certain conditions such as maintaining percentage of shareholding and financial ratios.

9 Segment information

Since the first quarter of 2019, the Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions are managed separately because they require different technologies and marketing strategies. For each of the strategic divisions, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Production and distribution of adhesive for industrial use
- Segment 2 Production and distribution of self-adhesive labels

Information regarding the results of each reportable segment is included below. Performance is measured based on segment earnings before interest, taxes, depreciation and amortisation (EBITDA) as included in the internal management reports that are reviewed by the Group's operation head. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

<i>Three-month period ended 31 March</i>	Adhesive for industrial use		Self-adhesive labels		Total reportable segments		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
External revenues - oversea										
- Asia	25,877	22,307	62,624	-	88,501	22,307	-	-	88,501	22,307
- Australia	9,436	12,600	3,121	-	12,557	12,600	-	-	12,557	12,600
- Africa	16,707	11,589	-	-	16,707	11,589	-	-	16,707	11,589
- America	-	5,495	-	-	-	5,495	-	-	-	5,495
- Others	5,694	1,026	-	-	5,694	1,026	-	-	5,694	1,026
	57,714	53,017	65,745	-	123,459	53,017	-	-	123,459	53,017
External revenues - local	94,085	89,308	139,871	-	233,956	89,308	-	-	233,956	89,308
Inter-segment revenue	-	-	5	-	5	-	(5)	-	-	-
Total segment revenue	151,799	142,325	205,621	-	357,420	142,325	(5)	-	357,415	142,325
EBITDA	24,490	6,503	34,923	-	59,413	6,503	(8,124)	-	51,289	6,503
Profit (loss) before tax expense	7,344	610	24,604	-	31,948	610	(2,911)	-	29,037	610
Segment assets as at 31 March / 31 December	1,422,103	544,592	1,733,113	-	3,175,216	544,592	(1,530,000)	-	1,645,216	544,592
Segment liabilities as at 31 March / 31 December	1,086,202	195,284	685,890	-	1,772,092	195,284	(500,000)	-	1,272,092	195,284

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10 Basic earnings per share

The calculations of basic earnings per share for the three-month period ended 31 March were based on the profit for the period attributable to ordinary shareholders of the Company during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
For three-month period ended 31 March				
Profit attributable to ordinary shareholders of the Company	23,922	439	6,775	1,253
Number of ordinary shares outstanding during the period	280,000	280,000	280,000	280,000
Basic earnings per share (in Baht)	0.085	0.002	0.024	0.004

11 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not recognised:</i>				
Instalment for machinery and equipment	506	340	506	340
Total	506	340	506	340
Future minimum lease payments under non-cancellable operating leases				
Within one year	3,117	1,174	924	1,174
After one year but within five years	476	197	111	197
Total	3,593	1,371	1,035	1,371
Other commitments				
Unused letters of credit for goods and raw materials	46,904	-	-	-
Bank guarantees	2,684	1,002	884	1,002
Total	49,588	1,002	884	1,002

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Forward foreign exchange contracts

The Group and the Company have entered into currency forward contracts with local financial institutions. The detail of the contracts as at 31 March 2019 and 31 December 2018 are as follows:

	Consolidated financial statements			
	US Dollars		Equivalent to Baht	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Currency forwards purchase	451	200	14,518	6,524
Currency forwards sales	1,014	404	31,830	13,061

	Separate financial statements			
	US Dollars		Equivalent to Baht	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Currency forwards purchase	451	200	14,518	6,524
Currency forwards sales	593	350	18,519	11,290

The above contracts will be gradually due within October 2019 (*31 December 2018: due within June 2019*).

12 Events after the reporting period

At the Annual General Shareholder's Meeting held on 4 April 2019, the shareholders approved the appropriation of profit from the retained earnings of the Company for the year 2018 to pay cash and stock dividends and approved the increase of the Company's registered capital. The details are as follows:

(a) Stock dividends

- 1) Dividend payment as ordinary shares of the Company from the unappropriated retained earnings at the end of 2018 in the amount of not more than 10,000,000 shares with a par value of Baht 0.50 per share to the shareholders, at the rate of 28 existing shares per 1 stock dividend. Total amount not exceeding Baht 5 million or equivalent to the dividend payment rate of Baht 0.0178569 per share. In the case that any shareholder has a fraction of the existing shares after the stock dividend allocation, the dividend will be paid in cash. Instead of paying a dividend at the rate of Baht 0.0178569 per share.
- 2) Pay cash dividend at the rate of Baht 0.001984 per share, or a total amount of not more than 5,555,556 baht, including 1 and 2, which is a dividend payment of Baht 0.019841 per share, or a total amount of not more than Baht 5,555,556. All dividends are subject to withholding tax at the rate as required by law.
- 3) The date for closing the share registration book to determine the shareholders' rights to receive the dividend on 19 April 2019 and determine the dividend payment date on 26 April 2019.

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(b) Increase of registered capital

- 1) Approved the allocation of the newly issued ordinary shares in the amount not exceeding 28,000,000 shares at the par value of Baht 0.50 per share in the form of a general capital increase (General Mandate) to sell shares to private placement (Private Placement). In this regard, the Company will allocate the newly issued ordinary shares in the form of general mandate. The paid-up capital of the Company shall not exceed Baht 14,000,000 which is not more than 10 percent of the paid-up capital on the date of the Board of Directors' meeting. Director Resolved to increase the general mandate, which is equal to 28,000,000 shares.
- 2) Approved the increase of the registered capital of Baht 5,000,000 by issuing ordinary shares of no more than 10,000,000 shares with a par value of Baht 0.50 per share to support the stock dividend payment.

The Company registered the increase of capital with the Ministry of Commerce on 7 May 2019.

13 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2018 and the statement of income for the three-month ended 31 March 2018, which are included in the 2019 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 interim financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
<i>(in thousand Baht)</i>						
<i>Statement of</i>						
<i>financial position</i>						
Trade accounts receivable	-	125,972	125,972	-	139,704	139,704
Other receivables	-	4,435	4,435	-	4,410	4,410
Trade and other receivable	130,382	(130,382)	-	114,114	(144,114)	-
VAT receivable	14,064	(14,064)	-	4,473	(4,473)	-
Other current assets	191	14,039	14,230	166	4,473	4,639
Trade accounts payable	-	96,002	96,002	-	96,002	96,002
Other payables	-	21,960	21,960	-	21,871	21,871
Trade and other payable	116,104	(116,104)	-	116,017	(116,017)	-
Payable for equipment	518	(518)	-	518	(518)	-
Other current liabilities	2,001	(1,340)	661	1,999	(1,338)	661
		<u>-</u>			<u>-</u>	
<i>Statement of income</i>						
<i>Three-month period</i>						
<i>ended 31 March 2018</i>						
Administrative expenses	(32,626)	1,495	(31,131)	(30,363)	663	(29,700)
Net foreign exchange loss	-	(1,495)	(1,495)	-	(663)	(663)
		<u>-</u>			<u>-</u>	

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14 Thai Financial Reporting Standards (TFRS) not yet adopted

The new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these interim financial statements. The new and revised TFRSs that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2020. The Company does not plan to early adopt these TFRSs.

The new TFRSs are set out below:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

** TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognizes a right to use an asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard.

The Company is presently considering the potential impact of adopting and initially applying the above TFRS on the consolidated and separate financial statements.