

**I.C.C. International Public Company Limited
and its Subsidiaries**

Condensed Interim financial statements
for the three-month and six-month periods ended
30 June 2019
and
Independent auditor's review report

Independent auditor’s report on review of interim financial information

To the Board of Directors of I.C.C. International Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of I.C.C. International Public Company Limited and its subsidiaries, and of I.C.C. International Public Company Limited, respectively, as at 30 June 2019; the consolidated and separate statements of comprehensive income for the three-month and six-month period ended 30 June 2019, consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 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”.

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
9 August 2019

I.C.C. International Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		1,355,969	1,404,374	1,317,037	1,378,050
Current investment		1,070,001	412,802	1,070,001	412,802
Trade accounts receivable	3, 4	1,443,555	1,784,661	1,425,629	1,760,025
Short-term loans	3	90,000	90,000	226,400	232,510
Inventories		3,563,821	3,356,988	3,547,564	3,366,241
Real estate projects underdevelopment		110,391	124,480	-	-
Out put VAT on consignment sales of inventories		307,674	304,875	307,674	304,875
Other current assets	3	137,131	143,350	131,668	135,841
Total current assets		8,078,542	7,621,530	8,025,973	7,590,344
Non-current assets					
Investments held as available for sale	5	8,857,975	9,091,796	8,857,975	9,091,796
Investments in associates	6	812,426	837,165	593,443	593,443
Investments in subsidiaries	7	-	-	42,682	47,253
Other long-term investments	5	1,921,577	1,856,421	1,921,577	1,871,721
Investment properties		931,306	1,005,017	997,620	1,071,988
Property, plant and equipment		2,794,912	2,848,798	2,719,483	2,770,419
Prepaid income tax		24,522	34,229	23,766	34,229
Restricted deposits at financial institution		2,949	2,949	-	-
Other non-current assets		263,880	251,607	248,177	235,370
Total non-current assets		15,609,547	15,927,982	15,404,723	15,716,219
Total assets		23,688,089	23,549,512	23,430,696	23,306,563

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Short-term borrowing from financial institutions		31,614	20,000	-	-
Short-term borrowing from related party	3	30,000	10,000	-	-
Trade accounts payable	3	1,398,856	1,273,490	1,374,311	1,236,402
Other payables	3	616,246	677,045	603,464	662,847
Income tax payable		28,921	-	28,921	-
Total current liabilities		2,105,637	1,980,535	2,006,696	1,899,249
<i>Non-current liabilities</i>					
Deferred tax liabilities	8	639,191	692,473	636,809	690,091
Provisions for employee benefit		589,263	588,805	559,043	549,550
Other non-current liabilities		36,763	42,464	35,641	41,456
Total non-current liabilities		1,265,217	1,323,742	1,231,493	1,281,097
Total liabilities		3,370,854	3,304,277	3,238,189	3,180,346
<i>Equity</i>					
Share capital					
Authorised share capital		500,000	500,000	500,000	500,000
Issued and paid-up share capital		290,634	290,634	290,634	290,634
Share premium					
Share premium on ordinary shares		1,487,144	1,487,144	1,487,144	1,487,144
Share premium on treasury shares		51,433	51,433	51,433	51,433
Retained earnings					
Appropriated					
Legal reserve		50,000	50,000	50,000	50,000
General reserve		1,961,197	1,869,149	1,961,197	1,869,149
Unappropriated		11,204,269	11,003,254	11,081,263	10,888,945
Other components of equity		5,269,680	5,489,351	5,270,836	5,488,912
Equity attributable to owners of the parent		20,314,357	20,240,965	20,192,507	20,126,217
Non-controlling interests		2,878	4,270	-	-
Total equity		20,317,235	20,245,235	20,192,507	20,126,217
Total liabilities and equity		23,688,089	23,549,512	23,430,696	23,306,563

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue from sales	3, 9	2,748,462	2,994,472	2,691,010	2,924,478
Costs of sales of goods	3	<u>1,779,402</u>	<u>1,843,138</u>	<u>1,794,077</u>	<u>1,799,129</u>
Gross profit		<u>969,060</u>	<u>1,151,334</u>	<u>896,933</u>	<u>1,125,349</u>
<i>Other income</i>					
Dividends income	3	348,310	278,081	366,119	290,242
Others	3	<u>65,800</u>	<u>83,635</u>	<u>66,402</u>	<u>85,693</u>
Total other income		<u>414,110</u>	<u>361,716</u>	<u>432,521</u>	<u>375,935</u>
Profit before expenses		<u>1,383,170</u>	<u>1,513,050</u>	<u>1,329,454</u>	<u>1,501,284</u>
<i>Expenses</i>					
Distribution costs	3	614,004	718,365	619,177	716,434
Administrative expenses	3	392,099	413,982	373,409	398,135
Finance costs		<u>491</u>	<u>416</u>	<u>-</u>	<u>-</u>
Total expenses		<u>1,006,594</u>	<u>1,132,763</u>	<u>992,586</u>	<u>1,114,569</u>
Share of profit (loss) of investments in associates		<u>3,742</u>	<u>(1,467)</u>	<u>-</u>	<u>-</u>
Profit before income tax expense		<u>380,318</u>	<u>378,820</u>	<u>336,868</u>	<u>386,715</u>
Tax expense	10	<u>4,955</u>	<u>17,642</u>	<u>4,955</u>	<u>17,640</u>
Profit for the period		<u>375,363</u>	<u>361,178</u>	<u>331,913</u>	<u>369,075</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(735)	3,920	-	-
Losses on remeasuring available for sale investment	(121,489)	(724,828)	(121,489)	(724,828)
Gain on classification from investment held to maturity to be investment available for sale	-	201,560	-	201,560
Income tax relating to items that will be reclassified to profit or loss	24,299	104,654	24,299	104,654
Total items that will be reclassified subsequently to profit or loss	(97,925)	(414,694)	(97,190)	(418,614)
Other comprehensive expense for the period, net of tax	(97,925)	(414,694)	(97,190)	(418,614)
Total comprehensive income (expense) for the period	277,438	(53,516)	234,723	(49,539)
Profit attributable to:				
Owners of the parent	375,560	361,319	331,913	369,075
Non-controlling interests	(197)	(141)	-	-
Profit for the period	375,363	361,178	331,913	369,075
Total comprehensive income (expense) attributable to:				
Owners of the parent	277,825	(54,529)	234,723	(49,539)
Non-controlling interests	(387)	1,013	-	-
Total comprehensive income (expense) for the period	277,438	(53,516)	234,723	(49,539)
Earnings per share (in Baht)				
Basic earnings per share	1.29	1.24	1.14	1.27

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue from sales	3, 9	5,703,231	6,050,910	5,596,717	5,909,871
Costs of sales of goods	3	<u>3,714,688</u>	<u>3,761,193</u>	<u>3,659,538</u>	<u>3,631,838</u>
Gross profit		<u>1,988,543</u>	<u>2,289,717</u>	<u>1,937,179</u>	<u>2,278,033</u>
<i>Other income</i>					
Dividends income	3	484,350	450,496	524,059	467,837
Others	3	<u>268,835</u>	<u>216,120</u>	<u>274,528</u>	<u>218,915</u>
Total other income		<u>753,185</u>	<u>666,616</u>	<u>798,587</u>	<u>686,752</u>
Profit before expenses		<u>2,741,728</u>	<u>2,956,333</u>	<u>2,735,766</u>	<u>2,964,785</u>
<i>Expenses</i>					
Distribution costs	3	1,270,669	1,436,649	1,273,618	1,429,689
Administrative expenses	3	791,035	832,157	777,339	807,728
Finance costs		<u>944</u>	<u>801</u>	<u>-</u>	<u>-</u>
Total expenses		<u>2,062,648</u>	<u>2,269,607</u>	<u>2,050,957</u>	<u>2,237,417</u>
Share of profit of investments in associates	6	<u>15,300</u>	<u>2,770</u>	<u>-</u>	<u>-</u>
Profit before income tax expense		<u>694,380</u>	<u>689,496</u>	<u>684,809</u>	<u>727,368</u>
Tax expense	10	<u>49,184</u>	<u>49,915</u>	<u>48,776</u>	<u>49,506</u>
Profit for the period		<u>645,196</u>	<u>639,581</u>	<u>636,033</u>	<u>677,862</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(3,453)	1,132	-	-
Losses on remeasuring available for sale investment	5	(272,595)	(800,575)	(272,595)	(800,575)
Gain on classification from investment held to maturity to be investment available for sale		-	201,560	-	201,560
Income tax relating to items that will be reclassified to profit or loss	8	54,519	119,803	54,519	119,803
Total components of other comprehensive income that will be reclassified to profit or loss		(221,529)	(478,080)	(218,076)	(479,212)
Other comprehensive income (expense) for the period, net of tax		(221,529)	(478,080)	(218,076)	(479,212)
Total comprehensive income for the period		423,667	161,501	417,957	198,650
Profit attributable to:					
Owners of the parent		644,730	638,885	636,033	677,862
Non-controlling interests		466	696	-	-
Profit for the period		645,196	639,581	636,033	677,862
Total comprehensive income attributable to:					
Owners of the parent		425,059	160,649	417,957	198,650
Non-controlling interests		(1,392)	852	-	-
Total comprehensive income for the period		423,667	161,501	417,957	198,650
Earnings per share (in Baht)					
Basic earnings per share		2.22	2.20	2.19	2.33

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Note	Consolidated financial statements													Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity					Equity attributable to owners of the parent	Non-controlling interests	
				Legal reserve	General reserve	Unappropriated	Translation foreign operations	Available for sale investments	Gain on classification to available for sale	Share of other comprehensive income of associates	Total other components of equity			
<i>(in thousand Baht)</i>														
Six-month period ended 30 June 2018														
Balance at 1 January 2018	290,634	1,487,144	51,433	50,000	1,789,311	10,438,354	(752)	5,804,275	-	536	5,804,059	19,910,935	(291)	19,910,644
Transactions with owners, recorded directly in equity														
<i>Distributions to owners of the parent</i>														
Dividends	11	-	-	-	-	(319,697)	-	-	-	-	-	(319,697)	-	(319,697)
Comprehensive income for the period														
Profit or loss		-	-	-	-	638,885	-	-	-	-	-	638,885	696	639,581
Other comprehensive income		-	-	-	-	-	976	(640,460)	161,248	-	(478,236)	(478,236)	156	(478,080)
Total comprehensive income for the period		-	-	-	-	638,885	976	(640,460)	161,248	-	(478,236)	160,649	852	161,501
Transfer to general reserve		-	-	-	79,838	(79,838)	-	-	-	-	-	-	-	-
Balance at 30 June 2018		290,634	1,487,144	51,433	50,000	1,869,149	224	5,163,815	161,248	536	5,325,823	19,751,887	561	19,752,448

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements														
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity					Equity attributable to owners of the parent	Non- controlling interests	Total equity
					Legal reserve	General reserve	Unappropriated	Translation foreign operations	Available for sale investments		Share of other comprehensive income of associates	Total other components of equity			
									Remeasuring of investments	Gain on classification to available for sale					
(in thousand Baht)															
Six-month period ended 30 June 2019															
Balance at 1 January 2019		290,634	1,487,144	51,433	50,000	1,869,149	11,003,254	(97)	5,327,664	161,248	536	5,489,351	20,240,965	4,270	20,245,235
Transactions with owners, recorded directly in equity															
<i>Distributions to owners of the parent</i>															
Dividends	11	-	-	-	-	-	(351,667)	-	-	-	-	-	(351,667)	-	(351,667)
Comprehensive income for the period															
Profit or loss		-	-	-	-	-	644,730	-	-	-	-	-	644,730	466	645,196
Other comprehensive income		-	-	-	-	-	-	(1,595)	(218,076)	-	-	(219,671)	(219,671)	(1,858)	(221,529)
Total comprehensive income for the period		-	-	-	-	-	644,730	(1,595)	(218,076)	-	-	(219,671)	425,059	(1,392)	423,667
Transfer to general reserve		-	-	-	-	92,048	(92,048)	-	-	-	-	-	-	-	-
Balance at 30 June 2019		290,634	1,487,144	51,433	50,000	1,961,197	11,204,269	(1,692)	5,109,588	161,248	536	5,269,680	20,314,357	2,878	20,317,235

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements										
		Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity			
					Legal reserve	General reserve	Unappropriated	Remeasuring of investments	Gain on classification to available for sale	Total other components of equity	Total equity
<i>Note</i>	<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2018											
Balance at 1 January 2018		290,634	1,487,144	51,433	50,000	1,789,311	10,334,851	5,804,276	-	5,804,276	19,807,649
Transactions with owners, recorded directly											
<i>Distributions to owners of the Company</i>											
Dividends	<i>11</i>	-	-	-	-	-	(319,697)	-	-	-	(319,697)
Comprehensive income for the period											
Profit or loss		-	-	-	-	-	677,862	-	-	-	677,862
Other comprehensive income		-	-	-	-	-	-	(640,460)	161,248	(479,212)	(479,212)
Total comprehensive income for the period		-	-	-	-	-	677,862	(640,460)	161,248	(479,212)	198,650
Transfer to general reserve		-	-	-	-	79,838	(79,838)	-	-	-	-
Balance at 30 June 2018		290,634	1,487,144	51,433	50,000	1,869,149	10,613,178	5,163,816	161,248	5,325,064	19,686,602

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements									Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity		Total other components of equity	
					Legal reserve	General reserve	Unappropriated	Remeasuring of investments	Gain on classification to available for sale		
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 2019											
Balance at 1 January 2019		290,634	1,487,144	51,433	50,000	1,869,149	10,888,945	5,327,664	161,248	5,488,912	20,126,217
Transactions with owners, recorded directly											
<i>Distributions to owners of the Company</i>											
Dividends	11	-	-	-	-	-	(351,667)	-	-	-	(351,667)
Comprehensive income for the period											
Profit or loss		-	-	-	-	-	636,033	-	-	-	636,033
Other comprehensive income		-	-	-	-	-	-	(218,076)	-	(218,076)	(218,076)
Total comprehensive income for the period		-	-	-	-	-	636,033	(218,076)	-	(218,076)	417,957
Transfer to general reserve		-	-	-	-	92,048	(92,048)	-	-	-	-
Balance at 30 June 2019		290,634	1,487,144	51,433	50,000	1,961,197	11,081,263	5,109,588	161,248	5,270,836	20,192,507

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	645,196	639,581	636,033	677,862
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	119,487	117,995	116,965	114,494
Reversal of bad and doubtful debts expenses	(4,949)	(853)	(4,949)	(1,296)
(Reversal of) doubtful debts expenses of other accounts receivable	(793)	10,523	(793)	10,523
(Reversal of) losses on inventories devaluation	(2,639)	9,115	(1,012)	9,186
(Reversal of) doubtful debts expense of loan to related party	-	-	(141)	8,108
Losses on impairment of investments	5,264	27,853	25,135	37,413
Interest income	(17,370)	(11,574)	(18,403)	(12,736)
Gain on disposal of assets	(152,180)	(36,893)	(151,950)	(36,882)
Loss (gain) on disposal of investments	2,839	(76,908)	2,839	(76,908)
Dividends income	(484,350)	(450,496)	(524,059)	(467,837)
Share of profit of investments in associates, net of tax	(15,300)	(2,770)	-	-
Finance costs	944	801	-	-
Tax expense	49,184	49,915	48,776	49,506
	<u>145,333</u>	<u>276,289</u>	<u>128,441</u>	<u>311,433</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	346,054	232,504	339,345	241,808
Inventories	(204,195)	(80,791)	(180,311)	(105,431)
Real estate projects under development	14,089	23,637	-	-
Other current assets	8,727	5,435	6,681	5,993
Other non-current assets	(13,673)	(2,239)	(14,030)	(4,801)
Trade accounts payable	125,365	(73,256)	137,909	(78,054)
Other current payables	(74,481)	(52,165)	(72,511)	(62,890)
Provisions for employee benefits	459	25,909	9,494	26,181
Other non-current liabilities	(5,700)	411	(5,815)	575
Net cash generated from operating	<u>341,978</u>	<u>355,734</u>	<u>349,203</u>	<u>334,814</u>
Taxes paid	(9,726)	(64,279)	(8,156)	(63,870)
Net cash from operating activities	<u>332,252</u>	<u>291,455</u>	<u>341,047</u>	<u>270,944</u>

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

I.C.C. International Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of short-term investment with financial institution	(657,199)	(89,802)	(657,199)	(89,802)
Interest received	12,856	9,437	13,888	10,600
Dividends received	524,059	467,837	524,059	467,837
Acquisition of assets	(53,304)	(93,872)	(53,463)	(80,274)
Proceeds from repayment of loans to related parties and employees	902	999	7,153	11,400
Proceeds from redemption of debenture held to maturity	20,000	-	20,000	-
Proceeds from sale of equity securities	-	90,140	-	90,140
Acquisition of equity securities	(132,318)	(41,100)	(132,318)	(41,100)
Proceeds from reduction of other long-term investment	285	3,389	285	3,389
Proceeds from sale of assets	227,302	58,166	227,072	58,155
Net cash from (used in) investing activities	(57,417)	405,194	(50,523)	430,345
<i>Cash flows from financing activities</i>				
Interest paid	(884)	(805)	-	-
Dividends paid to owners of parent	(351,537)	(320,243)	(351,537)	(320,243)
Increase in bank overdrafts and short-term borrowing from financial institutions	11,614	4	-	-
Increase in borrowing from related party	20,000	-	-	-
Net cash used in financing activities	(320,807)	(321,044)	(351,537)	(320,243)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(45,972)	375,605	(61,013)	381,046
Effect of exchange rate changes on cash and cash equivalents	(2,433)	1,029	-	-
Net increase (decrease) in cash and cash equivalents	(48,405)	376,634	(61,013)	381,046
Cash and cash equivalents at beginning of period	1,404,374	911,101	1,378,050	875,733
Cash and cash equivalents at ending of period	1,355,969	1,287,735	1,317,037	1,256,779
<i>Non-cash transactions</i>				
Accounts payable - purchase of assets	12,999	5,710	12,999	5,710

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

I.C.C. International Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
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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 statutory financial statements and were approved and authorised for issue by the Board of Directors on 9 August 2019.

1 General information

The principle business of the Company is distributing consumer products.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *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.

(b) Use of judgements and estimates and accounting policies

In preparing these interim financial statements, the significant judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation 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 revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which the Group has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS11”) 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.

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In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period 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.

3 Related parties

Relationships with associates and subsidiaries are described in notes 6 and 7.

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	4,689	7,691
Other income	-	-	2,116	2,889
Purchases of goods	-	-	24,545	25,969
Distribution cost	-	-	7,889	33
Other expenses	-	-	492	15
Associates				
Sales of goods	125	3,576	82	3,166
Dividend income	17,809	12,160	17,809	12,160
Other income	1,424	2,005	1,424	2,005
Purchases of goods	30,943	34,579	30,943	34,579
Distribution cost	64	68	64	68
Other expenses	1,137	707	1,071	640
Other related parties				
Sales of goods	84,547	85,624	79,432	81,906
Dividend income	305,642	252,630	305,642	252,630
Other income	35,487	29,599	35,486	29,599
Purchases of goods	1,606,524	1,507,588	1,604,678	1,503,080
Sales of market securities	-	3,271	-	3,271
Purchase of assets	9,254	20,075	9,213	20,061
Distribution cost	58,467	94,013	58,422	94,012
Other expenses	13,186	10,157	12,844	8,807
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	16,512	20,604	13,982	18,827
Long-term benefits	1,965	1,666	1,931	1,632
Total key management personnel compensation	18,477	22,270	15,913	20,459

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<i>Six-month period ended 30 June</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	13,667	13,363
Other income	-	-	4,310	4,590
Purchases of goods	-	-	49,956	50,546
Distribution cost	-	-	7,935	39
Other expenses	-	-	625	15
Associates				
Sales of goods	179	7,021	136	6,611
Dividend income	39,709	17,304	39,709	17,340
Other income	2,673	4,150	2,673	4,150
Purchases of goods	62,306	72,929	62,306	72,929
Distribution cost	135	152	135	152
Other expenses	2,208	1,346	2,076	1,212
Other related parties				
Sales of goods	166,631	157,440	159,845	152,414
Disposal of assets	-	7	-	7
Dividend income	446,644	424,985	446,644	424,985
Other income	82,326	65,262	82,267	65,157
Purchases of goods	3,169,629	3,017,636	3,163,361	3,011,248
Sales of equity securities	-	3,271	-	3,271
Purchase of assets	19,775	46,009	19,734	45,990
Distribution cost	144,044	196,540	143,992	196,537
Other expenses	24,580	24,730	24,086	21,338
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	41,416	38,873	38,886	36,410
Long-term benefits	3,940	3,333	3,862	3,264
Total key management personnel compensation	45,356	42,206	42,748	39,674

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Balance as at 30 June 2019 and 31 December 2018 with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	10,489	11,469
Associates	20	2,684	20	2,684
Other related parties	89,262	110,803	85,313	109,676
	89,282	113,487	95,822	123,829
<i>Less allowance for doubtful accounts</i>	(7,488)	(8,177)	(7,488)	(8,177)
Total	81,794	105,310	88,334	115,652
(Reversal of) bad and doubtful debts expense for the				
Three-month period ended 30 June	(689)	-	(689)	-
Six-month period ended 30 June	(689)	-	(689)	-

<i>Other accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	112	154
Associates	154	2,024	154	2,024
Other related parties	47,594	14,312	47,594	14,312
Total	47,748	16,336	47,860	16,490

Movements during the six-month periods ended 30 June 2019 of loans to related parties were as follows:

	Interest rate		Consolidated financial statements			
	31 December 2018	30 June 2019	31 December 2018	Increase	Decrease	30 June 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Associates	6.03	6.03	60,000	-	-	60,000
Other related parties	3.98-4.38	3.98	30,000	-	-	30,000
Total			90,000			90,000

	Interest rate		Separate financial statements			
	31 December 2018	30 June 2019	31 December 2018	Increase	Decrease	30 June 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries	1.50-1.52	1.52-1.62	142,510	-	(6,110)	136,400
Associates	6.03	6.03	60,000	-	-	60,000
Other related parties	3.98-4.38	3.98	30,000	-	-	30,000
Total			232,510			226,400

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<i>Trade accounts payable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	19,557	10,532
Associates	21,627	21,323	21,592	21,287
Other related parties	1,131,925	1,097,494	1,127,348	1,096,238
Total	<u>1,153,552</u>	<u>1,118,817</u>	<u>1,168,497</u>	<u>1,128,057</u>

Other accounts payable from related parties

Subsidiaries	-	-	1,203	82
Associates	2,138	900	2,138	900
Other related parties	79,360	114,074	79,360	114,074
Total	<u>81,498</u>	<u>114,974</u>	<u>82,701</u>	<u>115,056</u>

Movements during the six-month periods ended 30 June 2019 of Short-term borrowing from related party were as follows:

	Interest rate		Consolidated financial statements			
	31 December 2018	30 June 2019	31 December 2018	Increase	Decrease	30 June 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Related party	4.00	4.00	<u>10,000</u>	20,000	-	<u>30,000</u>

Other commitments

Consolidated and separate financial statements	
30 June 2019	31 December 2018
<i>(in thousand Baht)</i>	

Guarantees for related parties

334,970 **334,970**

Rental area and related services agreements

The Company entered into rental area and related services agreements with several related party companies. The Company paid fees approximately at Baht 3,200 - 654,306 million per month, agreements had periods of 1 - 27 years and will be expired within 2027.

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4 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	57,452	78,564	59,158	82,721
Overdue:				
Less than 1 months	15,374	15,387	15,374	15,387
1-3 months	3,923	3,495	3,923	3,495
4-12 months	10,187	7,335	10,187	7,335
Over 12 months	2,346	8,706	7,180	14,891
	89,282	113,487	95,822	123,829
Less allowance for doubtful accounts	(7,488)	(8,177)	(7,488)	(8,177)
	81,794	105,310	88,334	115,652
Other parties				
Within credit terms	1,280,898	1,592,442	1,259,779	1,560,325
Overdue:				
Less than 1 months	67,488	65,499	64,236	65,499
1-3 months	10,240	20,228	9,590	17,739
4-12 months	1,421	10,654	1,421	10,282
Over 12 months	11,519	4,593	11,519	4,038
	1,371,566	1,693,416	1,346,545	1,657,883
Less allowance for doubtful accounts	(9,805)	(14,065)	(9,250)	(13,510)
	1,361,761	1,679,351	1,337,295	1,644,373
Net	1,443,555	1,784,661	1,425,629	1,760,025

The normal credit terms granted by the Company range from 30 days to 90 days.

5 Other investments

	Consolidated and Separate financial statements				
	At 31 December 2018	Purchase	Disposal	Fair value adjustment	At 30 June 2019
	<i>(in thousand Baht)</i>				
Available-for-sale investments					
Equity securities available for sale	9,091,796	38,774	-	(272,595)	8,857,975

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	Consolidated financial statements				
	At 31 December 2018	Purchase	Disposal/ Maturity	Allowance for impairment	At 30 June 2019
	<i>(in thousand Baht)</i>				
<i>Other long-term investments</i>					
Non-marketable equity securities	1,836,421	93,544	(3,124)	(5,264)	1,921,577
Debt security held to maturity	<u>20,000</u>	-	(20,000)	-	<u>-</u>
Total	<u>1,856,421</u>				<u>1,921,577</u>
	Separate financial statements				
	At 31 December 2018	Purchase	Disposal/ Maturity	Allowance for impairment	At 30 June 2019
	<i>(in thousand Baht)</i>				
<i>Other long-term investments</i>					
Non-marketable equity securities	1,851,721	93,544	(3,124)	(20,564)	1,921,577
Debt security held to maturity	<u>20,000</u>	-	(20,000)	-	<u>-</u>
Total	<u>1,871,721</u>				<u>1,921,577</u>

During the six-month periods ended 30 June 2019 there was the following acquisitions and disposals of other long-term investments:

Acquisitions/additional investments

Available-for-sale investment

On 9 April 2019, the Company made an investment in Sri Panwa Hospitality Real Estate Investment Trust of Baht 38.77 million.

Other long-term investments

On 28 February 2019, the Company made an investment in Saha Komehyo Co., Ltd. of Baht 6.50 million (65,000 shares, Baht 100 per share) which a such company had increased its share capital of Baht 5 million to Baht 135 million. The Company's ownership remained the same.

On 27 March 2019, the Company made an additional investment in Asahi Kasei Spunbond (Thailand) Co., Ltd. of Baht 13.77 million (25,500 shares, Baht 540 per share) which a such company called for the additional paid-up of 54% of authorised share capital. The Company's ownership remained the same.

On 30 April 2019, the Company made an investment in Navavej International Plc. (formerly "KPN Healthcare Plc.") of Baht 10.00 million (1 million shares, Baht 10 per share) which a such company had increased its share capital of Baht 950 million to Baht 1,350 million. The Company's ownership remained the same.

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On 14 May 2019, the Company made an investment in Kewpie (Thailand) Co., Ltd. of Baht 0.32 million (3,231 shares, Baht 100 per share) which a such company had increased its share capital of Baht 260 million to Baht 263 million. The Company's ownership remained the same.

On 29 May 2019, the Company made an investment in Saha Lawson Co., Ltd. of Baht 8.10 million (81,000 shares, Baht 100 per share) which a such company had increased its share capital of Baht 1,277 million to Baht 1,367 million. The Company's ownership remained the same.

On 7 June 2019, the Company made an investment in International Laboratories Co., Ltd. of Baht 23.47 million (2.35 million shares, Baht 10 per share) which a such company had increased its share capital of Baht 120 million to Baht 240 million. The Company's ownership remained the same.

On 19 June 2019, the Company made an investment in Asahi Kasei Spunbond Co., Ltd. of Baht 17.58 million (70,314 shares, Baht 250 per share) which a such company had increased its share capital of Baht 2,110 million to Baht 4,185 million and called for the additional paid-up of 25% of authorised share capital. The Company's ownership remained the same.

On 21 June 2019, the Company made an investment in Saha Tokyu Corporation Co., Ltd. of Baht 13.80 million (55,200 shares, Baht 250 per share) which a such company had increased its share capital of Baht 332 million to Baht 792 million and called for the additional paid-up of 25% of authorised share capital. The Company's ownership remained the same.

Disposal of investment

On 15 May 2019, the Company had a proceeds from redemption from debenture held to maturity in PTT Plc. of Baht 20 million (20,000 shares, Baht 1,000 per share) with interest.

On 12 June 2019, the Company had a proceeds from return of share capital of Saha Nam Textile Co., Ltd. of Baht 0.29 million which such company had been liquidated on 5 July 2019.

6 Investments in associates

<i>Six-month period ended 30 June</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	837,165	826,906	593,443	635,736
Share of net profits of associates	15,300	2,770	-	-
Allowance for impairment	-	-	-	(9,561)
Dividend income	(39,709)	(17,340)	-	-
Currency translation differences	(331)	94	-	-
At 30 June	812,426	812,430	593,443	626,175

During the six-month periods ended 30 June 2019 and 2018, there were no acquisitions and disposals of investments in associates.

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Investments in associates as at 30 June 2019 and 31 December 2018, and dividend income from those investments for the six-month periods ended 30 June were as follows:

		Consolidated and Separate financial statements															
		Ownership interest		Paid-up capital		Cost		Allowance for impairment		At Cost - Net		Equity		Dividend income			
Type of business		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018		
		(%)		(in thousand Baht)													
Associates																	
Nanan Cambo Solution Co., Ltd.	Investing in property	49.00	49.00	12,960	12,960	6,475	6,475	(184)	(184)	6,291	6,291	5,795	6,109	-	-		
Boon Capital Holding Co., Ltd.	Investment	32.00	32.00	343,000	343,000	109,760	109,760	-	-	-	109,760	109,760	115,641	110,101	-	-	
International Leather Fashion Co., Ltd.	Leather shoes	28.00	28.00	50,000	50,000	21,728	21,728	-	-	21,728	21,728	39,910	40,140	560	1,050		
Thai Secom Security Co., Ltd.	Sales and lender of burglar alarm systems and securities service provider	25.00	25.50	378,934	378,934	196,983	196,983	-	-	196,983	196,983	247,049	244,973	9,276	11,110		
Issara United Co., Ltd.	Property Development	25.00	25.00	300,000	300,000	74,999	74,999	-	-	74,999	74,999	190,868	204,034	7,500	-		
Worldclass Rent a Car Co., Ltd.	Rent car	25.00	25.00	380,000	380,000	93,682	93,682	-	-	93,682	93,682	118,275	122,870	7,973	5,180		
Issara United Development Co., Ltd.	Hotel	25.00	25.00	360,000	360,000	90,000	90,000	-	-	90,000	90,000	94,888	108,938	14,400	-		
Net						<u>593,627</u>	<u>593,627</u>	<u>(184)</u>	<u>(184)</u>	<u>593,443</u>	<u>593,443</u>	<u>812,426</u>	<u>837,165</u>	<u>39,709</u>	<u>17,340</u>		

All associates were incorporated in Thailand, except Nanan Cambo Solution Co., Ltd. which was incorporated in Cambodia.

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

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8 Deferred tax

Deferred tax assets and liabilities as at 30 June 2019 and 31 December 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Deferred tax assets	690,559	691,224	690,559	691,224
Deferred tax liabilities	<u>(1,329,750)</u>	<u>(1,383,697)</u>	<u>(1,327,368)</u>	<u>(1,381,315)</u>
Net	<u>(639,191)</u>	<u>(692,473)</u>	<u>(636,809)</u>	<u>(690,091)</u>

Movements in total deferred tax assets and liabilities during the six-month periods ended 30 June 2019 and 2018 were as follows:

	Consolidated financial statements			At 30 June 2019
	At 1 January 2019	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Trade accounts receivable and other accounts receivable	4,778	(990)	-	3,788
Inventories	11,944	(202)	-	11,742
Gross profit for consignment goods	446,195	(8,342)	-	437,853
Other long-term investments	93,825	8,769	-	102,594
Investment properties	22,148	-	-	22,148
Property, plant and equipment	2,424	(1,799)	-	625
Employee benefit obligation	109,910	1,899	-	111,809
Total	<u>691,224</u>	<u>(665)</u>	<u>-</u>	<u>690,559</u>
<i>Deferred tax liabilities</i>				
Marketable securities	(1,331,916)	-	54,519	(1,277,397)
Gain on classification from debt security held to maturity to be investment available for sale	(40,312)	-	-	(40,312)
Property, plant and equipment	(9,636)	(572)	-	(10,208)
Intangible assets	(1,833)	-	-	(1,833)
Total	<u>(1,383,697)</u>	<u>(572)</u>	<u>54,519</u>	<u>(1,329,750)</u>
Net	<u>(692,473)</u>	<u>(1,237)</u>	<u>54,519</u>	<u>(639,191)</u>

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	At 1 January 2019	Separate financial statements (Charged) / Credited to:		At 30 June 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable and other accounts receivable	4,778	(990)	-	3,788
Inventories	11,944	(202)	-	11,742
Gross profit for consignment goods	446,195	(8,342)	-	437,853
Other long-term investments	93,825	8,769	-	102,594
Investment properties	22,148	-	-	22,148
Property, plant and equipment	2,424	(1,799)	-	625
Employee benefit obligation	109,910	1,899	-	111,809
Total	691,224	(665)	-	690,559
Deferred tax liabilities				
Marketable securities	(1,331,916)	-	54,519	(1,277,397)
Gain on classification from debt security held to maturity to be investment available for sale	(40,312)	-	-	(40,312)
Property, plant and equipment	(9,087)	(572)	-	(9,659)
Total	(1,381,315)	(572)	54,519	(1,327,368)
Net	(690,091)	(1,237)	54,519	(636,809)

	At 1 January 2018	Consolidated financial statements (Charged) / Credited to:		At 30 June 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable and other accounts receivable	5,485	1,845	-	7,330
Inventories	13,120	1,837	-	14,957
Gross profit for consignment goods	475,129	10,003	-	485,132
Other long-term investments	92,658	4,821	-	97,479
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(4,908)	-	6,033
Employee benefit obligation	107,461	2,629	-	110,090
Total	726,942	16,227	-	743,169
Deferred tax liabilities				
Marketable securities	(1,451,069)	-	160,115	(1,290,954)
Gain on classification from debt security held to maturity to be investment available for sale	-	-	(40,312)	(40,312)
Property, plant and equipment	(8,491)	(573)	-	(9,064)
Intangible assets	(1,833)	-	-	(1,833)
Total	(1,461,393)	(573)	119,803	(1,342,163)
Net	(734,451)	15,654	119,803	(598,994)

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	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 30 June 2018
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Trade accounts receivable and other accounts receivable	5,485	1,845	-	7,330
Inventories	13,120	1,837	-	14,957
Gross profit for consignment goods	475,129	10,003	-	485,132
Other long-term investments	92,658	4,821	-	97,479
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(4,908)	-	6,033
Employee benefit obligation	107,461	2,629	-	110,090
Total	726,942	16,227	-	743,169
<i>Deferred tax liabilities</i>				
Marketable securities	(1,451,069)	-	160,115	(1,290,954)
Gain on classification from debt security held to maturity to be investment available for sale	-	-	(40,312)	(40,312)
Property, plant and equipment	(7,942)	(573)	-	(8,515)
Total	(1,459,011)	(573)	119,803	(1,339,781)
Net	(732,069)	15,654	119,803	(596,612)

In second quarter 2019, the Group's subsidiary, Thai Itokin Co., Ltd., incurred a taxable profit of Baht 0.27 million, accumulated deficits of Baht 81.52 million (*Six-month period ended 30 June 2018: accumulated deficits of Baht 63.97 million*). Deferred tax assets have not been recognised in respect of these items because the Management has determined that the recoverability of cumulative tax losses, which expire in 2020 - 2022 is not probable that future taxable profit will be available against which Thai Itokin Co., Ltd. can utilise the benefits therefrom.

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9 Segment information and revenue

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation involves 3 principal segments; Cosmetics toiletries & perfumeries, Women's apparel and Men's apparel. Segment performance is considered by using the measure operating profit in the financial statements. The Company has not report segment assets and segment liabilities due to the management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Cosmetics toiletries & perfumeries		Women's apparel		Men's apparel		Total reportable segments		Others		Elimination of inter-segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the three-month period ended 30 June</i>														
							<i>(in million Baht)</i>							
Revenue from sale of goods	<u>258</u>	<u>279</u>	<u>1,032</u>	<u>1,163</u>	<u>721</u>	<u>738</u>	<u>2,011</u>	<u>2,180</u>	<u>774</u>	<u>848</u>	<u>(36)</u>	<u>(34)</u>	<u>2,749</u>	<u>2,994</u>
Segment operating profit	<u>5</u>	<u>20</u>	<u>89</u>	<u>131</u>	<u>62</u>	<u>80</u>	<u>156</u>	<u>231</u>	<u>23</u>	<u>36</u>	<u>49</u>	<u>3</u>	<u>228</u>	<u>270</u>
Other income													414	362
Unallocated expenses													(266)	(252)
Share of profit (loss) of investments in associates													4	(1)
Profit before tax													<u>380</u>	<u>379</u>

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	Cosmetics toiletries & perfumeries		Women's apparel		Men's apparel		Total reportable segments		Others		Elimination of inter-segment		Total			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
<i>For the six-month period ended 30 June</i>																
							<i>(in million Baht)</i>									
Revenue from sale of goods	518	558	2,127	2,302	1,517	1,539	4,162	4,399	1,612	1,716	(71)	(64)	5,703	6,051		
Segment operating profit	27	37	219	267	165	183	411	487	21	71	10	(35)	442	523		
Other income													753	667		
Unallocated expenses													(516)	(504)		
Share of profit of investments in associates													15	3		
Profit before tax													694	689		

The Group is managed and operated principally in Thailand, there are no material revenues derived from, or assets located in foreign countries. The Group has no major customer.

Disaggregation of revenue

The Group's operations and main revenue has disclosed on the last annual financial statements. The Group's main revenue is derived from contracts with customers. The Group has timing of revenue recognition of sale by recognised at a point in time.

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10 Income tax expense

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Company’s effective tax rate in respect of continuing operations the consolidated and separate financial statements for the six-months ended 30 June 2019 was 7.08% and 7.12% (30 June 2018 was 7.24% and 6.80%). This change in effective tax rate was caused mainly by income not subject to tax and non-deductible expenses.

11 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Annual dividend	22 April 2019	May 2019	1.21	352
<i>2018</i>				
Annual dividend	23 April 2018	May 2018	1.10	320

12 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The fair values of financial assets together with the carrying amounts in the consolidated and separate statement of financial position are as follows.

	Carrying amount	Consolidated and separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
30 June 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	8,858	8,858	-	-	8,858
31 December 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	9,092	9,092	-	-	9,092
<i>Financial assets not measured at fair value</i>					
Debt securities held to maturity	20	-	20	-	20

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Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 June 2019 and 31 December 2018 for financial instruments measured at fair value in the statement of financial position.

Type	Valuation technique
Corporate debt securities	<i>Market comparison</i> : The fair value is estimated considering current or recent quoted prices for identical securities in markets that are not active.

13 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 30 June 2019</i>		
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	55,781	53,424
After one year but within five years	53,445	50,462
After five years	1,134	1,134
Total	110,360	105,020
<i>Other commitments</i>		
Unused letters of credit for goods and supplies	245,000	223,000
Bank guarantees	38,480	31,700
Total	283,480	254,700

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14 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

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 TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.