

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

Condensed Interim financial statements
for the three-month and nine-month periods ended
30 September 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 September 2019; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 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
8 November 2019

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

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Assets		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		1,233,703	1,404,374	1,207,340	1,378,050
Current investment		1,072,882	412,802	1,072,882	412,802
Trade accounts receivable	3, 4	1,258,475	1,784,661	1,222,644	1,760,025
Short-term loans	3	90,000	90,000	219,400	232,510
Inventories		3,675,976	3,356,988	3,667,865	3,366,241
Real estate projects underdevelopment		101,894	124,480	-	-
Out put VAT on consignment					
sales of inventories		317,275	304,875	317,275	304,875
Other current assets	3	178,040	143,350	172,721	135,841
Total current assets		7,928,245	7,621,530	7,880,127	7,590,344
<i>Non-current assets</i>					
Investments held as available for sale	5	8,777,689	9,091,796	8,777,689	9,091,796
Investments in associates	6	812,064	837,165	593,083	593,443
Investments in subsidiaries	7	-	-	41,297	47,253
Other long-term investments	5	1,960,598	1,856,421	1,960,598	1,871,721
Investment properties		929,500	1,005,017	995,485	1,071,988
Property, plant and equipment		2,791,856	2,848,798	2,717,725	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		248,968	251,607	232,551	235,370
Total non-current assets		15,548,146	15,927,982	15,342,194	15,716,219
Total assets		23,476,391	23,549,512	23,222,321	23,306,563

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

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

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2019 (Unaudited)	31 December 2018	30 September 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term borrowing from financial institutions		35,276	20,000	-	-
Short-term borrowing from related party	3	15,000	10,000	-	-
Trade accounts payable	3	1,339,950	1,273,490	1,303,004	1,236,402
Other payables	3	525,526	677,045	512,003	662,847
Income tax payable		15,902	-	15,902	-
Total current liabilities		1,931,654	1,980,535	1,830,909	1,899,249
Non-current liabilities					
Deferred tax liabilities	8	615,469	692,473	613,087	690,091
Provisions for employee benefit		601,927	588,805	571,080	549,550
Other non-current liabilities		36,668	42,464	35,473	41,456
Total non-current liabilities		1,254,064	1,323,742	1,219,640	1,281,097
Total liabilities		3,185,718	3,304,277	3,050,549	3,180,346
Equity					
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		11,242,994	11,003,254	11,124,757	10,888,945
Other components of equity		5,204,129	5,489,351	5,206,607	5,488,912
Equity attributable to owners of the parent		20,287,531	20,240,965	20,171,772	20,126,217
Non-controlling interests		3,142	4,270	-	-
Total equity		20,290,673	20,245,235	20,171,772	20,126,217
Total liabilities and equity		23,476,391	23,549,512	23,222,321	23,306,563

The accompanying notes form an integral part of the interim 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 September		30 September	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue from sale of goods	3,9	2,720,213	3,101,837	2,631,495	3,029,671
Cost of sales of goods	3	1,840,012	1,984,246	1,779,733	1,937,176
Gross profit		880,201	1,117,591	851,762	1,092,495
<i>Other income</i>					
Dividends income	3	2,552	22,856	2,552	22,855
Others	3	119,952	77,973	131,245	79,266
Total other income		122,504	100,829	133,797	102,121
Profit before expenses		1,002,705	1,218,420	985,559	1,194,616
<i>Expenses</i>					
Distribution costs	3	580,183	715,217	578,126	711,733
Administrative expenses	3	371,006	409,427	352,902	390,146
Finance costs		736	410	-	-
Total expenses		951,925	1,125,054	931,028	1,101,879
Share of profit of investments in associates		29	2,166	-	-
Profit before income tax expense		50,809	95,532	54,531	92,737
Tax expense	10	11,032	15,766	11,037	15,761
Profit for the period		39,777	79,766	43,494	76,976

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

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

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	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	(2,110)	1,388	-	-
Gain (loss) on remeasuring available for sale investment	(80,286)	397,492	(80,286)	397,492
Income tax relating to items that will be reclassified to profit or loss	16,057	(79,498)	16,057	(79,498)
Total items that will be reclassified subsequently to profit or loss	(66,339)	319,382	(64,229)	317,994
Other comprehensive income (expense) for the period, net of tax	(66,339)	319,382	(64,229)	317,994
Total comprehensive income (expense) for the period	(26,562)	399,148	(20,735)	394,970
Profit attributable to:				
Owners of parent	38,725	78,342	43,494	76,976
Non-controlling interests	1,052	1,424	-	-
Profit for the period	39,777	79,766	43,494	76,976
Total comprehensive income (expense) attributable to:				
Owners of parent	(26,826)	396,074	(20,735)	394,970
Non-controlling interests	264	3,074	-	-
Total comprehensive income (expense) for the period	(26,562)	399,148	(20,735)	394,970
Earnings per share (in Baht)				
Basic earnings per share	0.13	0.27	0.15	0.26

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

Statement of comprehensive income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended 30 September		Nine-month period ended 30 September	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue from sale of goods	3,9	8,423,444	9,152,747	8,228,212	8,939,542
Cost of sales of goods	3	5,554,700	5,745,439	5,439,271	5,569,014
Gross profit		2,868,744	3,407,308	2,788,941	3,370,528
<i>Other income</i>					
Dividends income	3	486,902	473,352	526,611	490,692
Others	3	388,787	294,093	405,773	298,181
Total other income		875,689	767,445	932,384	788,873
Profit before expenses		3,744,433	4,174,753	3,721,325	4,159,401
<i>Expenses</i>					
Distribution costs	3	1,850,852	2,151,866	1,851,744	2,141,422
Administrative expenses	3	1,162,041	1,241,584	1,130,241	1,197,874
Finance costs		1,680	1,211	-	-
Total expenses		3,014,573	3,394,661	2,981,985	3,339,296
Share of profit of investments in associates	6	15,329	4,936	-	-
Profit before income tax expense		745,189	785,028	739,340	820,105
Tax expense	10	60,216	65,681	59,813	65,267
Profit for the period		684,973	719,347	679,527	754,838

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

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

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended 30 September		Nine-month period ended 30 September	
		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		(5,563)	2,520	-	-
Gain (loss) on remeasuring available for sale investment	5	(352,881)	(403,083)	(352,881)	(403,083)
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	70,576	40,305	70,576	40,305
Total items that will be reclassified subsequently to profit or loss		(287,868)	(158,698)	(282,305)	(161,218)
Other comprehensive income (expense) for the period, net of tax		(287,868)	(158,698)	(282,305)	(161,218)
Total comprehensive income (expense) for the period		397,105	560,649	397,222	593,620
Profit attributable to:					
Owners of the parent		683,455	717,227	679,527	754,838
Non-controlling interests		1,518	2,120	-	-
Profit for the period		684,973	719,347	679,527	754,838
Total comprehensive income (expense) attributable to:					
Owners of the parent		398,233	556,723	397,222	593,620
Non-controlling interests		(1,128)	3,926	-	-
Total comprehensive income (expense) for the period		397,105	560,649	397,222	593,620
Earnings per share (in Baht)					
Basic earnings per share		2.35	2.47	2.34	2.60

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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 Remeasuring of	Gain on classification to available for sale	Share of other comprehensive income of associates	Total other components of equity			
<i>(in thousand Baht)</i>															
Nine-month period ended 30 September 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		-	-	-	-	-	717,227	-	-	-	-	-	717,227	2,120	719,347
Other comprehensive income (expense)		-	-	-	-	-	-	714	(322,466)	161,248	-	(160,504)	(160,504)	1,806	(158,698)
Total comprehensive income (expense) for the period		-	-	-	-	-	717,227	714	(322,466)	161,248	-	(160,504)	556,723	3,926	560,649
Transfer to general reserve		-	-	-	-	79,838	(79,838)	-	-	-	-	-	-	-	-
Balance at 30 September 2018		290,634	1,487,144	51,433	50,000	1,869,149	10,756,046	(38)	5,481,809	161,248	536	5,643,555	20,147,961	3,635	20,151,596

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

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

Statement of changes in equity (Unaudited)

Consolidated financial statements														
<i>Note</i>	Retained earnings						Other components of equity							
	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve	General reserve	Unappropriated	Translation foreign operations	Available for sale investments Remeasuring of	Gain on classification to available for sale	Share of other comprehensive income of associates	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<i>(in thousand Baht)</i>														
Nine-month period ended 30 September 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	-	-	-	-	-	683,455	-	-	-	-	-	683,455	1,518	684,973
Other comprehensive income (expense)	-	-	-	-	-	-	(2,917)	(282,305)	-	-	(285,222)	(285,222)	(2,646)	(287,868)
Total comprehensive income (expense) for the period	-	-	-	-	-	683,455	(2,917)	(282,305)	-	-	(285,222)	398,233	(1,128)	397,105
Transfer to general reserve	-	-	-	-	92,048	(92,048)	-	-	-	-	-	-	-	-
Balance at 30 September 2019	290,634	1,487,144	51,433	50,000	1,961,197	11,242,994	(3,014)	5,045,359	161,248	536	5,204,129	20,287,531	3,142	20,290,673

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

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

Statement of changes in equity (Unaudited)

	Separate financial statements									
		Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity			Total equity
				Legal reserve	General reserve	Unappropriated	Available for sale investments Remeasuring of investments	Gain on classification to available for sale	Total other components of equity	
<i>Note</i>	Issued and paid-up share capital									
<i>(in thousand Baht)</i>										
Nine-month period ended 30 September 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	11	-	-	-	-	(319,697)	-	-	-	(319,697)
Comprehensive income for the period										
Profit or loss		-	-	-	-	754,838	-	-	-	754,838
Other comprehensive income (expense)		-	-	-	-	-	(322,466)	161,248	(161,218)	(161,218)
Total comprehensive income (expense) for the period		-	-	-	-	754,838	(322,466)	161,248	(161,218)	593,620
Transfer to general reserve		-	-	-	79,838	(79,838)	-	-	-	-
Balance at 30 September 2018		290,634	1,487,144	51,433	50,000	1,869,149	10,690,154	5,481,810	161,248	5,643,058

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

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

Statement of changes in equity (Unaudited)

	Separate financial statements									
		Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			Other components of equity			Total equity
				Legal reserve	General reserve	Unappropriated	Available for sale investments Remeasuring of investments	Gain on classification to available for sale	Total other components of equity	
<i>Note</i>	Issued and paid-up share capital									
<i>(in thousand Baht)</i>										
Nine-month period ended 30 September 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		-	-	-	-	679,527	-	-	-	679,527
Other comprehensive income (expense)		-	-	-	-	-	(282,305)	-	(282,305)	(282,305)
Total comprehensive income (expense) for the period		-	-	-	-	679,527	(282,305)	-	(282,305)	397,222
Transfer to general reserve		-	-	-	92,048	(92,048)	-	-	-	-
Balance at 30 September 2019		290,634	1,487,144	51,433	50,000	1,961,197	11,124,757	5,045,359	161,248	5,206,607

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

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

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	684,973	719,347	679,527	754,838
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	176,205	178,667	172,589	173,151
(Reversal of) bad and doubtful debts expenses	(8,245)	2,397	(8,245)	1,953
Doubtful debts expenses of other accounts receivable	2,288	8,684	2,288	8,684
Losses on inventories devaluation	2,799	53,072	4,425	53,260
Reversal of doubtful debts expense of loan to related party	-	-	(141)	(7,967)
Loss on impairment of investments	8,903	9,131	30,159	17,098
Interest income	(28,019)	(17,744)	(29,555)	(19,370)
Gain on disposal of assets	(151,293)	(37,676)	(151,063)	(37,666)
Loss (gain) on disposal of investments	1,793	(38,970)	1,793	(38,970)
Dividends income	(486,902)	(473,352)	(526,611)	(490,692)
Share of profit of investments in associates, net of tax	(15,329)	(4,936)	-	-
Finance costs	1,680	1,211	-	-
Tax expense	60,216	65,681	59,813	65,267
	<u>249,069</u>	<u>465,512</u>	<u>234,979</u>	<u>479,586</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	534,431	175,179	545,627	190,593
Inventories	(321,787)	(193,080)	(306,050)	(215,036)
Real estate projects under development	22,586	28,421	-	-
Other current assets	(41,413)	(6,521)	(43,603)	(3,720)
Other non-current assets	(466)	(26)	33	(3,208)
Trade accounts payable	66,460	53,703	66,602	46,261
Other payables	(185,407)	49,960	(184,121)	45,362
Provisions for employee benefits	13,123	40,128	21,530	40,474
Other non-current liabilities	(5,796)	193	(5,983)	314
Net cash generated from operating	<u>330,800</u>	<u>613,469</u>	<u>329,014</u>	<u>580,626</u>
Taxes paid	(41,439)	(116,781)	(39,876)	(116,367)
Net cash from operating activities	<u>289,361</u>	<u>496,688</u>	<u>289,138</u>	<u>464,259</u>

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

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

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of short-term investments with financial institution	(660,080)	(362,802)	(660,080)	(362,802)
Interest received	20,054	14,417	21,590	16,043
Dividends received	526,611	473,352	526,611	490,692
Acquisition of assets	(84,294)	(147,289)	(84,444)	(144,563)
Proceeds from repayment of loans to related parties and employees	930	1,073	14,181	21,783
Proceeds from redemption of debenture held to maturity	20,000	-	20,000	-
Proceeds from sale of other equity securities	-	96,195	-	96,195
Acquisition of other equity securities	(192,818)	(42,266)	(192,818)	(50,232)
Proceeds from reduction of other long-term investments	19,531	3,389	19,531	3,389
Proceeds from sale of assets	227,348	61,773	227,118	61,762
Net cash from (used in) investing activities	(122,718)	97,842	(108,311)	132,267
<i>Cash flows from financing activities</i>				
Interest paid	(1,563)	(1,218)	-	-
Dividends paid to owners of the Company	(351,537)	(320,244)	(351,537)	(320,244)
Increase (decrease) in bank overdrafts and short-term borrowing from financial institutions	15,276	(5,991)	-	-
Increase in borrowing from related party	5,000	-	-	-
Net cash used in financing activities	(332,824)	(327,453)	(351,537)	(320,244)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(166,181)	267,077	(170,710)	276,282
Effect of exchange rate changes on cash and cash equivalents	(4,490)	872	-	-
Net increase (decrease) in cash and cash equivalents	(170,671)	267,949	(170,710)	276,282
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	1,233,703	1,179,050	1,207,340	1,152,015
<i>Non-cash transactions</i>				
Increase in fair value of available-for-sale investments	(352,881)	(403,083)	(352,881)	(403,083)
Accounts payable - purchase of assets	33,147	(5,465)	33,147	(4,447)

The accompanying notes form an integral part of the 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 8 November 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 nine-month periods ended 30 September with related parties were as follows:

<i>Three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	5,975	5,060
Other income	-	-	2,143	1,879
Purchases of goods	-	-	24,690	25,115
Distribution cost	-	-	1,605	381
Other expenses	-	-	428	45
Associates				
Sales of goods	109	4,042	85	4,041
Other income	1,065	1,799	1,065	1,799
Purchases of goods	30,687	29,968	30,687	29,968
Distribution cost	80	367	80	367
Other expenses	3,672	817	3,604	749
Other related parties				
Sales of goods	100,473	74,277	96,355	68,062
Dividend income	-	4,654	-	4,654
Other income	30,084	43,055	30,084	43,056
Sales of equity instruments	-	1,315	-	1,315
Purchases of goods	1,666,666	1,623,600	1,661,905	1,622,041
Purchase of assets	21,158	24,504	21,158	24,472
Distribution cost	78,193	82,462	78,168	82,461
Other expenses	53,704	17,202	52,087	15,719
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	15,438	22,116	14,553	21,261
Long-term benefits	2,513	1,666	1,931	1,632
Total key management personnel compensation	17,951	23,782	16,484	22,893

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<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	19,642	18,423
Other income	-	-	6,453	6,469
Purchases of goods	-	-	74,346	75,661
Distribution cost	-	-	9,540	420
Other expenses	-	-	1,053	60
Associates				
Sales of goods	288	11,063	221	10,652
Dividend income	39,709	17,340	39,709	17,340
Other income	3,738	5,949	3,738	5,949
Purchases of goods	92,993	102,897	92,993	102,897
Distribution cost	215	519	215	519
Other expenses	5,880	2,163	5,680	1,961
Other related parties				
Sales of goods	267,104	231,717	256,200	220,476
Disposal of assets	-	7	-	7
Sales of equity instruments	-	4,586	-	4,586
Dividend income	446,644	429,639	446,644	429,639
Other income	112,410	108,317	112,351	108,213
Purchases of goods	4,836,295	4,641,236	4,825,266	4,633,289
Purchase of assets	40,933	70,513	40,892	70,462
Distribution cost	222,237	279,002	222,160	278,998
Other expenses	78,284	41,932	76,173	37,057
Dividend paid	192,050	163,792	192,050	163,792
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	56,854	60,989	53,440	57,671
Long-term benefits	6,453	4,999	5,792	4,896
Total key management personnel compensation	63,307	65,988	59,232	62,567

Balance as at 30 September 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 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	8,212	11,469
Associates	27	2,684	27	2,684
Other related parties	95,763	110,803	94,927	109,676
	95,790	113,487	103,166	123,829
<i>Less allowance for doubtful accounts</i>	(1,290)	(8,177)	(1,290)	(8,177)
Total	94,500	105,310	101,876	115,652

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<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
(Reversal of) bad and doubtful debts expense for the				
Three-month period ended 30 September	(6,198)	1,409	(6,198)	1,409
Nine-month period ended 30 September	<u>(6,887)</u>	<u>1,674</u>	<u>(6,887)</u>	<u>1,322</u>

(in thousand Baht)

<i>Other accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Subsidiaries	-	-	105	154
Associates	111	2,024	111	2,024
Other related parties	40,655	14,312	40,655	14,312
Total	<u>40,766</u>	<u>16,336</u>	<u>40,871</u>	<u>16,490</u>

(in thousand Baht)

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

	Interest rate		Consolidated financial statements		
	31 December 2018	30 September 2019	31 December 2018	Increase	Decrease
Associates	6.03	6.03	60,000	-	-
Other related parties	3.98-4.38	3.98	30,000	-	-
Total			<u>90,000</u>		

(in thousand Baht)

	Interest rate		Separate financial statements		
	31 December 2018	30 September 2019	31 December 2018	Increase	Decrease
Subsidiaries	1.50-1.52	1.52-1.72	142,510	-	(13,110)
Associates	6.03	6.03	60,000	-	-
Other related parties	3.98-4.38	3.98	30,000	-	-
Total			<u>232,510</u>		<u>219,400</u>

(in thousand Baht)

<i>Trade accounts payable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Subsidiaries	-	-	8,645	10,532
Associates	23,161	21,323	23,161	21,287
Other related parties	1,159,592	1,097,494	1,152,467	1,096,238
Total	<u>1,182,753</u>	<u>1,118,817</u>	<u>1,184,273</u>	<u>1,128,057</u>

(in thousand Baht)

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<i>Trade accounts payable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<i>Other accounts payable from related parties</i>				
Subsidiaries	-	-	110	82
Associates	2,948	900	2,913	900
Other related parties	61,725	114,074	61,725	114,074
Total	<u>64,673</u>	<u>114,974</u>	<u>64,748</u>	<u>115,056</u>

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

	Interest rate		Consolidated financial statements			
	31 December 2018	30 September 2019	31 December 2018	Increase	Decrease	30 September 2019
Related party	4.00	4.00	<u>10,000</u>	20,000	(15,000)	<u>15,000</u>

<i>Other commitments</i>	Consolidated and separate financial statements	
	30 September 2019	31 December 2018
Guarantees for related parties	<u>334,970</u>	<u>334,970</u>

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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	66,981	78,564	70,123	82,721
Overdue:				
Less than 1 months	17,080	15,387	17,080	15,387
1-3 months	4,763	3,495	4,763	3,495
4-12 months	4,746	7,335	4,746	7,335
Over 12 months	2,220	8,706	6,454	14,891
	95,790	113,487	103,166	123,829
<i>Less allowance for doubtful accounts</i>	<i>(1,290)</i>	<i>(8,177)</i>	<i>(1,290)</i>	<i>(8,177)</i>
	94,500	105,310	101,876	115,652
Other parties				
Within credit terms	1,046,681	1,592,442	1,043,166	1,560,325
Overdue:				
Less than 1 months	67,997	65,499	67,997	65,499
1-3 months	46,739	20,228	7,105	17,739
4-12 months	1,555	10,654	1,536	10,282
Over 12 months	13,710	4,593	13,116	4,038
	1,176,682	1,693,416	1,132,920	1,657,883
<i>Less allowance for doubtful accounts</i>	<i>(12,707)</i>	<i>(14,065)</i>	<i>(12,152)</i>	<i>(13,510)</i>
	1,163,975	1,679,351	1,120,768	1,644,373
Net	1,258,475	1,784,661	1,222,644	1,760,025

The normal credit terms granted by the Company range from 30 days to 120 days.

5 Other investments

	Consolidated and Separate financial statements				
	At 31 December 2018	Purchase	Disposal	Fair value adjustment	At 30 September 2019
	<i>(in thousand Baht)</i>				
Available-for-sale investments					
Equity securities available for sale	9,091,796	38,774	-	(352,881)	8,777,689

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	Consolidated financial statements				At 30 September 2019
	At 31 December 2018	Purchase	Disposal/ Maturity <i>(in thousand Baht)</i>	Allowance for impairment	
<i>Other long-term investments</i>					
Non-marketable equity securities	1,836,421	154,044	(21,324)	(8,543)	1,960,598
Debt security held to maturity	20,000	-	(20,000)	-	-
Total	<u>1,856,421</u>				<u>1,960,598</u>
	Separate financial statements				At 30 September 2019
	At 31 December 2018	Purchase	Disposal/ Maturity <i>(in thousand Baht)</i>	Allowance for impairment	
<i>Other long-term investments</i>					
Non-marketable equity securities	1,851,721	154,044	(21,324)	(23,843)	1,960,598
Debt security held to maturity	20,000	-	(20,000)	-	-
Total	<u>1,871,721</u>				<u>1,960,598</u>

During the nine-month period ended 30 September 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.

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.

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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.

On 31 July 2019, the Company made an investment in Thai Bunka Co., Ltd. of Baht 1.5 million (15,000 shares, Baht 100 per share) which a such company had increased its share capital of Baht 6.25 million to Baht 25 million. The Company's ownership remained the same.

During August 2019 to September 2019, the Company made an investment in Brain Wake Co., Ltd., with share capital of Baht 150 million (1.5 million shares, Baht 100 per share), of Baht 9 million (60,000 shares, Baht 150 per share). The Company's ownership is 4% of authorised capital.

On 25 September 2019, the Company made an investment in Saha Capital Tower Co., Ltd., with share capital of Baht 2,000 million (20 million shares, Baht 100 per share), of Baht 50 million (2 million shares, Baht 25 per share) of 25% of authorised share capital. The Company's ownership is 10% of authorised capital.

On 30 September 2019, the Company made an investment in InnoSpace (Thailand) Co., Ltd., with share capital of Baht 100,000 (1,000 million shares, Baht 100 per share), of Baht 250 (10 shares, Baht 25 per share) of 25% of authorised share. The Company's ownership is 1% of authorised capital.

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.

On 10 September 2019, the Company had a proceeds from return of share capital of T.U.C. Elastic Co., Ltd. of Baht 19.25 million which such company had been liquidated on 13 September 2019.

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6 Investments in associates

<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate 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	15,329	4,936	-	-
Allowance for impairment	(360)	-	(360)	-
Dividend income	(39,709)	(17,340)	-	-
Decrease in share capital	-	-	-	(147,420)
Reverse allowance for decline in value of investments	-	-	-	136,147
Currency transaction differences	(361)	(53)	-	-
At 30 September	<u>812,064</u>	<u>814,449</u>	<u>593,083</u>	<u>624,463</u>

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

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Investments in associates as at 30 September 2019 and 31 December 2018, and dividend income from those investments for the nine-month periods ended 30 September 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 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	30 September 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	(544)	(184)	5,931	6,291	5,382	6,109	-	-		
Boon Capital Holding Co., Ltd.	Investment	32.00	32.00	343,000	343,000	109,760	109,760	-	-	109,760	109,760	114,883	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	39,474	40,140	560	1,050		
Thai Secom Security Co., Ltd.	Sales and lender of burglar alarm systems and securities service provider	25.50	25.50	378,934	378,934	196,983	196,983	-	-	196,983	196,983	252,611	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	187,421	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	120,012	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	92,281	108,938	14,400	-		
Net						<u>593,627</u>	<u>593,627</u>	<u>(544)</u>	<u>(184)</u>	<u>593,083</u>	<u>593,443</u>	<u>812,064</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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7 Investments in subsidiaries

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

Type of business	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend income		
	30	31	30	31	Cost		Impairment		30	31	30	30	
	September	December	September	December	September	December	September	December	September	December	September	September	
	(%)				(in thousand Baht)								
Subsidiaries													
WBRE Co., Ltd.	Property Development	99.9	99.9	50,000	50,000	49,999	49,999	(22,528)	(16,572)	27,471	33,427	-	-
Amis Du Monde SARL	Trading	81.9	81.9	53,758	53,758	48,924	48,924	(48,924)	(48,924)	-	-	-	-
Canchana International Co., Ltd.	Distributing	60.0	60.0	16,300	16,300	13,826	13,826	-	-	13,826	13,826	-	-
Thai Itokin Co., Ltd.	Manufacturing and distributing apparels	58.2	58.2	111,250	111,250	80,101	80,101	(80,101)	(80,101)	-	-	-	-
Total						192,850	192,850	(151,553)	(145,597)	41,297	47,253	-	-

All subsidiaries were incorporated in Thailand, except Amis Du Monde SARL which was incorporated operates in France and Canchana International Co., Ltd. which was incorporated in Cambodia.

None of the Group's subsidiaries 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 September 2019 and 31 December 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Deferred tax assets	698,510	691,224	698,510	691,224
Deferred tax liabilities	<u>(1,313,979)</u>	<u>(1,383,697)</u>	<u>(1,311,597)</u>	<u>(1,381,315)</u>
Net	<u>(615,469)</u>	<u>(692,473)</u>	<u>(613,087)</u>	<u>(690,091)</u>

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

	Consolidated financial statements			At 30 September 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	(945)	-	3,833
Inventories	11,944	885	-	12,829
Gross profit for consignment goods	446,195	(4,440)	-	441,755
Other long-term investments	93,825	9,774	-	103,599
Investment properties	22,148	-	-	22,148
Property, plant and equipment	2,424	(2,294)	-	130
Employee benefit obligation	109,910	4,306	-	114,216
Total	<u>691,224</u>	<u>7,286</u>	<u>-</u>	<u>698,510</u>
<i>Deferred tax liabilities</i>				
Marketable securities	(1,331,916)	-	70,576	(1,261,340)
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)	(858)	-	(10,494)
Intangible assets	(1,833)	-	-	(1,833)
Total	<u>(1,383,697)</u>	<u>(858)</u>	<u>70,576</u>	<u>(1,313,979)</u>
Net	<u>(692,473)</u>	<u>6,428</u>	<u>70,576</u>	<u>(615,469)</u>

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	At 1 January 2019	Separate financial statements (Charged) / Credited to:		At 30 September 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Trade accounts receivable and other accounts receivable	4,778	(945)	-	3,833
Inventories	11,944	885	-	12,829
Gross profit for consignment goods	446,195	(4,440)	-	441,755
Other long-term investments	93,825	9,774	-	103,599
Investment properties	22,148	-	-	22,148
Property, plant and equipment	2,424	(2,294)	-	130
Employee benefit obligation	109,910	4,306	-	114,216
Total	691,224	7,286	-	698,510
<i>Deferred tax liabilities</i>				
Marketable securities	(1,331,916)	-	70,576	(1,261,340)
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)	(858)	-	(9,945)
Total	(1,381,315)	(858)	70,576	(1,311,597)
Net	(690,091)	6,428	70,576	(613,087)

	At 1 January 2018	Consolidated financial statements (Charged) / Credited to:		At 30 September 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Trade accounts receivable and other accounts receivable	5,485	(508)	-	4,977
Inventories	13,120	10,652	-	23,772
Gross profit for consignment goods	475,129	(34)	-	475,095
Other long-term investments	92,658	(1,179)	-	91,479
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(6,964)	-	3,977
Employee benefit obligation	107,461	5,216	-	112,677
Total	726,942	7,183	-	734,125
<i>Deferred tax liabilities</i>				
Marketable securities	(1,451,069)	-	80,617	(1,370,452)
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)	(859)	-	(9,350)
Intangible assets	(1,833)	-	-	(1,833)
Total	(1,461,393)	(859)	40,305	(1,421,947)
Net	(734,451)	6,324	40,305	(687,822)

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	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 30 September 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Trade accounts receivable and other accounts receivable	5,485	(508)	-	4,977
Inventories	13,120	10,652	-	23,772
Gross profit for consignment goods	475,129	(34)	-	475,095
Other long-term investments	92,658	(1,179)	-	91,479
Investment properties	22,148	-	-	22,148
Property, plant and equipment	10,941	(6,964)	-	3,977
Employee benefit obligation	107,461	5,216	-	112,677
Total	726,942	7,183	-	734,125
<i>Deferred tax liabilities</i>				
Marketable securities	(1,451,069)	-	80,617	(1,370,452)
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)	(859)	-	(8,801)
Total	(1,459,011)	(859)	40,305	(1,419,565)
Net	(732,069)	6,324	40,305	(685,440)

In third quarter 2019, the Group's subsidiary, Thai Itokin Co., Ltd., incurred a taxable profit of Baht 3.04 million, accumulated deficits of Baht 77.19 million (*Nine-month period ended 30 September 2018: accumulated deficits of Baht 56.26 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 September</i>														
							<i>(in million Baht)</i>							
Revenue from sale of goods	254	303	1,025	1,194	700	773	1,979	2,270	764	862	(23)	(30)	2,720	3,102
Segment operating profit	14	20	82	142	57	87	153	249	(20)	5	3	(1)	136	253
Other income													123	101
Unallocated expenses													(208)	(260)
Share of profit of investments in associates													-	2
Profit before tax													51	96

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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 nine-month period ended 30 September</i>														
							<i>(in million Baht)</i>							
Revenue from sale of goods	<u>772</u>	<u>861</u>	<u>3,152</u>	<u>3,496</u>	<u>2,217</u>	<u>2,312</u>	<u>6,141</u>	<u>6,669</u>	<u>2,376</u>	<u>2,578</u>	<u>(94)</u>	<u>(94)</u>	<u>8,423</u>	<u>9,153</u>
Segment operating profit	<u>41</u>	<u>57</u>	<u>301</u>	<u>409</u>	<u>222</u>	<u>270</u>	<u>564</u>	<u>736</u>	<u>1</u>	<u>76</u>	<u>13</u>	<u>(36)</u>	<u>578</u>	<u>776</u>
Other income													876	767
Unallocated expenses													(724)	(763)
Share of profit of investments in associates													15	5
Profit before tax													<u>745</u>	<u>785</u>

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 nine-months ended 30 September 2019 was 8.08% and 8.09% (30 September 2018 was 8.37% and 7.96%). 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 September 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	8,778	8,778	-	-	8,778
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 September 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 September 2019</i>		
	<i>(in thousand Baht)</i>	
Future minimum lease payments under non-cancellable operating leases		
Within one year	70,358	68,323
After one year but within five years	57,168	54,604
After five years	891	891
Total	128,417	123,818
Other commitments		
Unused letters of credit for goods and supplies	245,000	223,000
Bank guarantees	38,210	31,700
Total	283,210	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.