

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

Interim financial statements
for the three-month period ended
31 March 2020
and
Independent auditor's review report



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Selic Corp Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Selic Corp Public Company Limited and its subsidiaries, and of Selic Corp Public Company Limited, respectively, as at 31 March 2020; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2020; 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".

(Dussanee Yimsuwan)
Certified Public Accountant
Registration No. 10235

KPMG Phoomchai Audit Ltd.
Bangkok
14 May 2020

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Assets	Note	2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		146,202	114,713	59,680	42,341
Trade accounts receivable	4, 7	287,587	273,931	133,748	148,415
Other current receivables	4, 11	12,855	12,731	53,924	6,531
Inventories		279,463	315,915	99,806	90,987
Other current assets	11	673	415	610	264
Total current assets		726,780	717,705	347,768	288,538
Non-current assets					
Investments in subsidiaries	5	-	-	1,039,997	1,039,997
Investment properties		-	1,752	-	-
Property, plant and equipment	3	347,233	324,169	113,202	87,533
Goodwill		378,310	378,310	-	-
Other intangible assets		160,368	162,329	3,291	3,627
Deferred tax assets		6,037	5,785	3,405	2,999
Other non-current assets		3,068	3,446	3,054	3,437
Total non-current assets		895,016	875,791	1,162,949	1,137,593
Total assets	6	1,621,796	1,593,496	1,510,717	1,426,131

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Liabilities and equity		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
Current liabilities					
Short-term loans from financial institutions		25,186	37,664	15,500	15,500
Trade accounts payable	4	178,167	171,368	108,400	109,190
Other current payables	4, 11	28,989	125,607	13,596	113,801
Current portion of long-term loans					
from financial institution	7	119,566	119,564	26,634	26,633
Current portion of long-term loans					
from related party	7, 9	-	-	46,680	-
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)	3	3,695	2,239	2,190	332
Current income tax payable		13,803	8,675	5,018	2,560
Other current liabilities	11	1,933	1,624	939	1,212
Total current liabilities		371,339	466,741	218,957	269,228
Non-current liabilities					
Long-term loans from financial institution	7	487,532	517,425	152,453	159,112
Long-term loans from related party	4, 7	-	-	453,320	500,000
Lease liabilities					
(2019: Finance lease liabilities)	3	27,573	3,623	24,229	29
Other non-current payable		206,000	103,000	206,000	103,000
Deferred tax liabilities		53,939	54,502	-	-
Non-current provisions for employee benefits		16,709	15,748	13,093	12,230
Other non-current liabilities	3	2,635	-	2,635	-
Total non-current liabilities		794,388	694,298	851,730	774,371
Total liabilities	6	1,165,727	1,161,039	1,070,687	1,043,599

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
Liabilities and equity	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	(in thousand Baht)			
<i>Equity</i>				
Share capital				
Authorised share capital				
<i>(318,000,000 ordinary shares, par value at</i>				
<i>Baht 0.50 per share)</i>	159,000	159,000	159,000	159,000
Issued and paid-up share capital				
<i>(289,999,455 ordinary shares, par value at</i>				
<i>Baht 0.50 per share)</i>	145,000	145,000	145,000	145,000
Share premium on ordinary shares	177,835	177,835	177,835	177,835
Retained earnings				
Appropriated				
Legal reserve	3,030	3,030	3,030	3,030
Unappropriated	131,161	108,695	114,165	56,667
Other components of equity	(959)	(2,105)	-	-
Equity attributable to owners of the parent	456,067	432,455	440,030	382,532
Non-controlling interests	2	2	-	-
Total equity	456,069	432,457	440,030	382,532
Total liabilities and equity	1,621,796	1,593,496	1,510,717	1,426,131

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Revenue					
Revenue from sale of goods	<i>4, 6</i>	327,677	357,415	154,931	151,303
Other income	<i>4</i>	<u>1,957</u>	<u>1,916</u>	<u>56,162</u>	<u>10,408</u>
Total revenue		<u>329,634</u>	<u>359,331</u>	<u>211,093</u>	<u>161,711</u>
Expenses					
Cost of sales of goods	<i>4</i>	244,334	268,990	112,440	114,658
Distribution costs		7,405	7,474	3,396	3,270
Administrative expenses	<i>4</i>	40,574	42,762	25,221	24,199
Net foreign exchange loss		764	673	280	562
Finance costs	<i>4</i>	<u>9,426</u>	<u>10,395</u>	<u>9,919</u>	<u>11,496</u>
Total expenses		<u>302,503</u>	<u>330,294</u>	<u>151,256</u>	<u>154,185</u>
Profit before tax expense	<i>6</i>	27,131	29,037	59,837	7,526
Tax expense		<u>(4,665)</u>	<u>(5,115)</u>	<u>(2,339)</u>	<u>(751)</u>
Profit for the period		<u>22,466</u>	<u>23,922</u>	<u>57,498</u>	<u>6,775</u>
Profit attributable to:					
Owners of the parent		22,466	23,922	57,498	6,775
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period		<u>22,466</u>	<u>23,922</u>	<u>57,498</u>	<u>6,775</u>
Basic earnings per share (in Baht)					
		0.077	0.085	0.198	0.024

The accompanying notes from an integral part of the interim financial statements

Selic Corp 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	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	22,466	23,922	57,498	6,775
Other comprehensive income				
<i>Items that will be reclassified subsequently to</i>				
<i>profit or loss</i>				
Exchange differences on translating foreign operations	1,146	(106)	-	-
Other comprehensive income (expense) for the period	1,146	(106)	-	-
Total comprehensive income for the period	23,612	23,816	57,498	6,775
Total comprehensive income attributable to:				
Owners of the parent	23,612	23,816	57,498	6,775
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	23,612	23,816	57,498	6,775

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements						
	Retained earnings	Share premium on ordinary shares	Legal reserve	Unappropriated financial statements	Equity attributable to owners of the parent	Non-controlling interests
	Other components of equity					
				Exchange differences on translating financial statements		
	Issued and paid-up share capital					Total equity
<i>(in thousand Baht)</i>						
Three-month period ended 31 March 2019						
Balance at 1 January 2019	140,000	177,835	3,030	28,441	-	349,306
						2
						349,308
Comprehensive income for the period						
Profit for the period	-	-	-	23,922	-	23,922
Other comprehensive income (expense)	-	-	-	-	(106)	(106)
Total comprehensive income (expense) for the period	-	-	-	23,922	(106)	23,816
						-
						23,816
Balance at 31 March 2019	140,000	177,835	3,030	52,363	(106)	373,122
						2
						373,124

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements						
	Other components						Total equity
	of equity						
	Retained earnings	Unappropriated	Legal reserve	Share premium on	Exchange differences on	Equity attributable to	
	Issued and paid-up share capital	ordinary shares		financial statements	translating	owners of the parent	Non-controlling interests
	<i>(in thousand Baht)</i>						
Three-month period ended 31 March 2020							
Balance at 1 January 2020	145,000	177,835	3,030	108,695	(2,105)	432,455	2 432,457
Comprehensive income for the period							
Profit for the period	-	-	-	22,466	-	22,466	- 22,466
Other comprehensive income (expense)	-	-	-	-	1,146	1,146	- 1,146
Total comprehensive income (expense) for the period	-	-	-	22,466	1,146	23,612	- 23,612
Balance at 31 March 2020	145,000	177,835	3,030	131,161	(959)	456,067	2 456,069

Selic Corp 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	Retained earnings		Total equity
			Legal reserve	Unappropriated	
			<i>(in thousand Baht)</i>		
Three-month period ended 31 March 2019					
Balance at 1 January 2019	140,000	177,835	3,030	31,235	352,100
Comprehensive income for the period					
Profit for the period	-	-	-	6,775	6,775
Total comprehensive income for the period	-	-	-	6,775	6,775
Balance at 31 March 2019	140,000	177,835	3,030	38,010	358,875

The accompanying notes from an integral part of the interim financial statements

Selic Corp 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	Retained earnings		Total equity
			Legal reserve	Unappropriated	
			<i>(in thousand Baht)</i>		
Three-month period ended 31 March 2020					
Balance at 1 January 2020	145,000	177,835	3,030	56,667	382,532
Comprehensive income for the period					
Profit for the period	-	-	-	57,498	57,498
Total comprehensive income for the period	-	-	-	57,498	57,498
Balance at 31 March 2020	145,000	177,835	3,030	114,165	440,030

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the period	22,466	23,922	57,498	6,775
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	4,665	5,115	2,339	751
Finance costs	9,426	10,395	9,919	11,496
Depreciation and amortisation	12,881	11,857	6,030	5,649
Provisions expense for employee benefits	961	1,008	863	729
Unrealised (gain) loss on foreign exchange	(945)	1,468	163	703
(Reversal of) bad and doubtful debts expenses	27	(70)	24	-
(Reversal of) losses on inventories devaluation	637	(372)	637	(372)
Gain on disposal of plant and equipment	-	(1,121)	-	(1,121)
Interest income	(39)	(73)	(37)	(72)
	50,079	52,129	77,436	24,538
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(9,158)	(19,275)	16,823	1,759
Other receivables	(384)	559	(47,691)	5,860
Inventories	38,084	(22,351)	(9,456)	(12,982)
Other current assets	(2,201)	413	(346)	(5,554)
Other non-current assets	378	17	383	17
Trade accounts payable	3,522	48,029	(2,689)	17,145
Other payables	4,522	(11,063)	1,167	(13,266)
Other current liabilities	308	(1,856)	(273)	278
Net cash generated from operating	85,150	46,602	35,354	17,795
Taxes paid	(368)	(365)	(287)	(276)
Net cash from operating activities	84,782	46,237	35,067	17,519

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Acquisition of subsidiaries, net of cash acquired	5	-	(787,677)	-	(824,000)
Acquisition of plant and equipment		(1,191)	(6,926)	(666)	(1,274)
Proceeds from sale of equipment		-	1,121	-	1,121
Acquisition of intangible assets		-	(1,013)	-	-
Interest received		5	5	4	4
Net cash used in investing activities		(1,186)	(794,490)	(662)	(824,149)
<i>Cash flows from financing activities</i>					
Proceeds from short-term borrowings from financial institutions		20,971	20,499	15,500	995
Repayment of short-term borrowings from financial institutions		(34,237)	(45,212)	(15,500)	(22,216)
Proceeds from long-term borrowings from financial institutions		-	700,000	-	200,000
Repayment of long-term borrowings from financial institution		(30,030)	-	(6,690)	-
Payment of borrowing fee for long-term borrowings from financial institution		-	(3,500)	-	(1,000)
Proceeds from long-term borrowings from related party		-	-	-	500,000
Payment of lease liabilities (2019: <i>Payment by a lessee for reduction of the outstanding liability relating to a finance lease</i>)		(1,581)	(800)	(852)	(262)
Interest paid		(8,949)	(7,210)	(9,524)	(10,651)
Net cash from (used in) financing activities		(53,826)	663,777	(17,066)	666,866

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	29,770	(84,476)	17,339	(139,764)
Effect of exchange rate changes on cash and cash equivalents	1,719	(525)	-	-
Net increase (decrease) in cash and cash equivalents	31,489	(85,001)	17,339	(139,764)
Cash and cash equivalents at 1 January	114,713	210,781	42,341	199,373
Cash and cash equivalents at 31 March	146,202	125,780	59,680	59,609
 <i>Non-cash transactions</i>				
Consideration payable for investment	206,000	206,000	206,000	206,000
Dividend receivable	-	-	46,680	-

The accompanying notes from an integral part of the interim financial statements

Selic Corp Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

Note	Contents
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4	Related parties
5	Investments in subsidiaries
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10	Others
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Selic Corp Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 14 May 2020.

1 General information

Selic Corp Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Market for Alternative Investment (“mai”) on 18 October 2016. The Company's registered office is at 270 Liaphlongphasicharoenfangtai Road, Nong Khaem, Bangkok, Thailand.

The Company's major shareholders during the financial period were Mr. Narong Suwatthanaphim (29.64% shareholding) and Mr. Ek Suwatthanaphim (25.53% shareholding). Both persons were directors of the Company.

The principal activities of the Company and subsidiaries (“the Group”) are production and distribution of adhesives used in industrial including self-adhesive label for domestic and international markets. Details of the Company's subsidiaries as at 31 March 2020 and 31 December 2019 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2020	31 December 2019
E.V.A International Co., Ltd.	Wholesales of industrial chemicals	Thailand	99.97	99.97
PMC Label Materials Co., Ltd.	Production and distribution of self-adhesive label	Thailand	99.99	99.99
PMC Label Materials Pte. Ltd.	Distribution of self-adhesive and label	Singapore	100.00	100.00

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The 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 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 2019.

The Group has initially applied TFRS - Financial instruments standards which have no material impact on the financial statements and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

Selic Corp Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

In preparing these interim financial statements, 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 described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in note 3.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS – Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method and derivatives are measured at FVTPL.

The changes in accounting policies about classification and measurement under previous standards and TFRS 9 have no significant impact on the Group's financial statements as at 1 January 2020.

Selic Corp Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

(2) Impairment – Financial assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

The Group has determined that the application of TFRS 9’s impairment requirements at 1 January 2020. At 31 March 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account. The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020. Nevertheless, there is no material impact to the financial statements of the Group.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in property, plant and equipment	27,515	27,515
Increase in lease liabilities	24,917	24,917
Increase in other non-current liabilities	2,598	2,598

Selic Corp Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>		
	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	37,346	36,476
Recognition exemption for short-term leases or leases of low-value assets	<u>(3,570)</u>	<u>(2,700)</u>
	33,776	33,776
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	24,917	24,917
Finance lease liabilities recognised as at 31 December 2019	<u>5,862</u>	<u>361</u>
Lease liabilities recognised at 1 January 2020	30,779	25,278
Weighted-average incremental borrowing rate (% per annum)	<u>6</u>	<u>6</u>

Right-of-use assets and lease liabilities shown above were presented as part of adhesives for industrial use segment.

4 Related parties

Relationships with subsidiaries are described in note 5. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

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

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Material changes in pricing policies during the three-month period ended 31 March 2020 are as follows:

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

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	14,960	3,913
Management service income	-	-	8,700	8,700
Dividend income	-	-	46,680	-
Purchase of goods	-	-	6	5
Administrative expenses	-	-	-	200
Finance costs	-	-	6,866	8,125
Other related parties				
Revenue from sale of goods	2,172	2,658	-	-
Other income	-	47	-	-
Administrative expenses	191	208	2	208
Legal consulting fee	-	67	-	67
Land and building rental expense	723	767	723	767
Key management personnel				
Consulting fee	578	428	428	428
Key management personnel compensation				
Short-term employee benefit	7,198	8,080	5,336	4,287
Post-employment benefits	255	238	243	199
Other benefits	246	71	244	71
Total key management personnel compensation	7,699	8,389	5,823	4,557

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Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(in thousand Baht)			
	Note			
Subsidiaries				
E.V.A. International Co., Ltd.		-	11,497	15,784
PMC Label Materials Co., Ltd.		-	11,975	16,889
Other related parties				
Trade Ally International Pte. Ltd.		5,697	-	-
Total	7	5,697	23,472	32,673

Other current receivables

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>				
Subsidiaries				
PMC Label Materials Co., Ltd.	-	-	47,606	-
Key management personnel	106	4	106	4
Total	106	4	47,712	4

Long-term loans from related party

On 30 January 2019, the Company has entered into a long-term loan agreement with PMC Label Materials Co., Ltd. with a credit facility of Baht 500 million. This loan bears interest rate at MLR plus margin per annum in the first year and MLR less margin per annum in the subsequent year, and is repayable on demand. The objective of the loan is for repayment of short-term loan (Bridge loan) from a financial institution used as source of fund for business acquisition. As at 31 March 2020, the credit facility has been fully utilised.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>				
Subsidiaries				
PMC Label Materials Co., Ltd.	-	-	3	-
Total	-	-	3	-

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Other current payables

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Other related parties				
Narongwong Group Co., Ltd.	-	600	-	600
Humanica Public Co., Ltd.	-	15	-	-
International Legal Counsellors Thailand Ltd.	-	4	-	-
Big Jet Travel Co., Ltd.	-	5	-	5
Key management personnel	115	24	115	24
Total	<u>115</u>	<u>648</u>	<u>115</u>	<u>629</u>

Significant agreements with related parties

As at 31 March 2020, significant agreements with related parties were as follows:

Land and building rental agreement

The Company has land and building rental agreement with a related party for being the operating location. The agreement is effective for 15 years and ending in June 2031 with total rental fee for the year 2020 of Baht 2.9 million (*for the year 2019 of Baht 2.9 million*). The rate will be adjusted every 5 years.

Management Service Agreement

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

5 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	1,039,997	9,997
Acquisition of subsidiaries	-	1,030,000
At 31 March	<u>1,039,997</u>	<u>1,039,997</u>
At 31 December		<u>1,039,997</u>

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Investments in subsidiaries as at 31 March 2020 and 31 December 2019, and dividend income for the three-month period ended 31 March were as follows:

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>									
Subsidiaries										
E.V.A. International Co., Ltd.	99.97	99.97	10,000	10,000	9,997	9,997	-	-	9,997	9,997
PMC Label Materials Co., Ltd.	99.99	99.99	100,000	100,000	927,000	927,000	-	-	927,000	927,000
PMC Label Materials Pte. Ltd.									46,680	-
(*Paid-up capital amounting to SGD 2)	100	100	-	-	103,000	103,000	-	-	103,000	103,000
Total					1,039,997	1,039,997	-	-	1,039,997	1,039,997
									46,680	-

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

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6 Segment information

Three-month period ended 31 March	Adhesive for industrial use		Self-adhesive labels		Total reportable segments		Elimination		Total
	2020	2019	2020	2019	2020	2019	2020	2019	
	(in thousand Baht)								
External revenues - oversea									
- Asia	27,159	25,877	46,935	62,624	74,094	88,501	-	-	88,501
- Australia	14,290	9,436	2,534	3,121	16,824	12,557	-	-	12,557
- Africa	11,851	16,707	-	-	11,851	16,707	-	-	16,707
- America	2,066	-	-	-	2,066	-	-	-	-
- Others	-	5,694	19	-	19	5,694	-	-	5,694
External revenues - local	55,366	57,714	49,488	65,745	104,854	123,459	-	-	123,459
Inter-segment revenue	88,849	94,085	133,974	139,871	222,823	233,956	-	-	233,956
	11,397	-	6	5	11,403	5	(11,403)	(5)	-
Total segment revenue	155,612	151,799	183,468	205,621	339,080	357,420	(11,403)	(5)	357,415
EBITDA	77,196	24,490	25,270	34,923	102,466	59,413	(53,028)	(8,124)	51,289
Profit before tax expense	61,247	7,344	14,772	24,604	76,019	31,948	(48,888)	(2,911)	29,037
Segment assets as at									
31 March / 31 December	1,509,581	1,423,147	1,702,185	1,718,037	3,211,766	3,141,184	(1,589,969)	(1,547,688)	1,593,496
Segment liabilities as at									
31 March / 31 December	1,071,183	1,043,659	654,128	634,269	1,725,311	1,677,928	(599,584)	(516,889)	1,161,039

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7 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.

	Consolidated financial statements			
		Carrying amount		Fair value
	Fair value through profit or loss	Amortised cost - net	Total	Level 2
<i>As 31 March 2020</i>		<i>(in thousand Baht)</i>		
<i>Financial assets and financial liabilities</i>				
Long-term loans from financial institutions	-	(607,098)	(607,098)	(602,916)
Foreign currency forward contracts	(1,002)	-	(1,002)	(1,002)
		Separated financial statements		
		Carrying amount		Fair value
	Fair value through profit or loss	Amortised cost - net	Total	Level 2
<i>As 31 March 2020</i>		<i>(in thousand Baht)</i>		
<i>Financial assets and financial liabilities</i>				
Long-term loans from financial institutions	-	(179,087)	(179,087)	(177,325)
Long-term loans from related party	-	(500,000)	(500,000)	(496,187)
Foreign currency forward contracts	(364)	-	(364)	(364)

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	Consolidated financial statements	
	Carrying amount	Fair value
		Level 2
	(in thousand Baht)	
31 December 2019		
Financial assets and financial liabilities		
Long-term loans from financial institutions	(636,989)	(636,989)
Foreign currency forward contracts	129	129
	Separate financial statements	
	Carrying amount	Fair value
		Level 2
	(in thousand Baht)	
31 December 2019		
Financial assets and financial liabilities		
Long-term loans from financial institutions	(185,745)	(185,745)
Long-term loans from related party	(500,000)	(500,000)
Foreign currency forward contracts	134	134

Financial instruments measured at fair value

Type	Valuation technique
Foreign currency forward contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Forward Foreign Exchange Contracts

The Group and the Company have entered into currency forward contracts with local financial institutions. The detail of the contracts as at 31 March 2020 and 31 December 2019 are as follows:

	Consolidated financial statements			
	Foreign currency		Equivalent to Baht	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(in thousand)		(in thousand Baht)	
<i>Currency forwards purchase</i>				
United States Dollar	861	-	27,875	-
<i>Currency forwards sales</i>				
United States Dollar	431	1,614	12,992	48,649
Singapore Dollar	309	424	6,863	9,337

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	Separate financial statements			
	Foreign currency		Equivalent to Baht	
	31 March 2020 (in thousand)	31 December 2019	31 March 2020 (in thousand Baht)	31 December 2019
<i>Currency forwards purchase</i>				
United States Dollar	249	-	8,111	-
<i>Currency forwards sales</i>				
United States Dollar	153	1,015	4,584	30,566

The above contracts will be gradually due within July 2020 (31 December 2019: due within June 2020).

Credit risk

Allowance for impairment loss for trade receivables are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions. However, As explained in note 3 (A), the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak for considering of impairment of trade accounts receivables.

<i>Trade accounts receivable</i>	<i>Note</i>	Consolidated	Separate
<i>At 31 March 2020</i>		financial statements	financial statements
		(in thousand Baht)	
Related parties			
Within credit terms		2,171	21,339
Overdue:			
Less than 3 months		59	2,133
3 - 6 months		3,467	-
	5	<u>5,697</u>	<u>23,472</u>
Other parties			
Within credit terms		213,787	90,296
Overdue:			
Less than 3 months		61,438	18,669
3 - 6 months		3,512	455
6 - 12 months		1,706	840
More than 12 months		3,065	325
		<u>283,508</u>	<u>110,585</u>
<i>Less allowance for impairment</i>		<u>(1,618)</u>	<u>(309)</u>
		<u>281,890</u>	<u>110,276</u>
Net		<u>287,587</u>	<u>133,748</u>

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<i>Trade accounts receivable</i>		Consolidated	Separate
<i>At 31 December 2019</i>	<i>Note</i>	financial statements	financial statements
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		57	22,590
Overdue:			
Less than 3 months		3,680	10,083
3 - 6 months		907	-
	5	<u>4,644</u>	<u>32,673</u>
Other parties			
Within credit terms		200,703	94,670
Overdue:			
Less than 3 months		61,832	19,565
3 - 6 months		3,798	787
6 - 12 months		1,694	720
More than 12 months		3,213	285
		<u>271,240</u>	<u>116,027</u>
Less allowance for doubtful accounts		<u>(1,953)</u>	<u>(285)</u>
		<u>269,287</u>	<u>115,742</u>
Net		<u>273,931</u>	<u>148,415</u>

The normal credit terms granted by the Group ranges from 30 to 180 days.

8 Commitments with non-related parties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not recognised:</i>				
Machinery and equipment				
under installation	270	282	270	282
Total	<u>270</u>	<u>282</u>	<u>270</u>	<u>282</u>
Other commitments				
Unused letters of credit for goods and				
raw materials	16,656	50,599	7,510	10,770
Bank guarantees	3,212	2,981	1,412	1,181
Total	<u>19,868</u>	<u>53,580</u>	<u>8,922</u>	<u>11,951</u>

9 Events after the reporting period

In April 2020, PMC Label Materials Co., Ltd., a subsidiary of the Company, called for repayment of loan principal amounting to Baht 46.68 million as described in note 4. The Company made repayment on 23 April 2020.

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10 Others

At the Board of Directors' Meeting held on 25 February 2020, the Board of Directors passed the resolution to propose to the Annual General Shareholders' Meeting for approval the appropriation of profit from the 2019 retained earnings of the Company to pay cash and stock dividends and the change of the Company's registered capital. The details are as follows:

(a) Stock dividends

- 1) Dividend payment as ordinary shares of the Company from the unappropriated retained earnings at the end of 2019 in the amount of not more than 40,000,000 shares with a par value of Baht 0.50 per share to the shareholders, at the rate of 7.249986 existing shares per 1 stock dividend. Total amount not exceeding Baht 20 million or equivalent to the dividend payment rate of Baht 0.0689656 per share. In the case that any shareholder has fraction of shares from the stock dividend allocation, the dividend will be paid in cash at the rate of Baht 0.0689656 per share instead.
- 2) Pay cash dividend at the rate of Baht 0.0076628 per share, or a total amount of not more than Baht 22,222,222.22 including 1) and 2), which is a dividend payment of Baht 0.076628 per share, or a total amount of not more than Baht 22,222,222.22. All dividends are subject to withholding tax at the rate as required by law.
- 3) The date for closing the share registration book to determine the shareholders' rights to receive the dividend on 16 April 2020 and determine the dividend payment date on 29 April 2020.

(b) Decrease of registered capital

The reduction of the registered capital of the Company by reducing the registered capital of the Company by Baht 14,000,272.50 from the original registered capital of Baht 159,000,000 to a new registered capital of Baht 144,999,727.50 by cutting the ordinary shares that have not been issued. Which remained from the allocation of 28,000,000 ordinary shares under general mandate and the remaining dividend payment of 545 shares to 289,999,455 shares.

(c) Increase of registered capital

- 1) The increase of the registered capital of the Company in the form of general mandate from the original registered capital of Baht 144,999,727.50 to Baht 178,999,727.50 by issuing 68,000,000 ordinary shares at a par value of Baht 0.50 per share in the amount not exceeding 28,000,000 shares in the form of a general capital increase to sell shares to private placement. In this regard, the Company will allocate the issued ordinary shares in the form of general mandate. The paid-up capital of the Company shall not exceed Baht 14,000,000 which is not more than 10 percent of the paid-up capital on the date that the Board of Directors resolved to increase the general mandate, which is equal to 28,000,000 shares.
- 2) The increase of the registered capital of Baht 20,000,000 by issuing ordinary shares of no more than 40,000,000 shares with a par value of Baht 0.50 per share to support the stock dividend payment.

As the situation of COVID-19 outbreak in Thailand has grown more severe, the government has requested private sector to carefully consider activities involving gatherings that may cause an epidemic to occur and easily spread to the general public according to Thailand's state of emergency. As such, at the Board of Directors' Meeting held on 30 March 2020, the Board of Directors resolved to approve as follows:

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- 1) To approve that the 2020 Annual General Shareholders' Meeting, previously scheduled on 2 April 2020, will be postponed indefinitely and all the agenda items indicated in the Notice together with the meeting will be cancelled.
- 2) To approve the cancellation of the date for closing the share registration book on 11 March 2020 to determine the shareholders who are entitled to attend and vote at the 2020 Annual General Shareholders' Meeting.
- 3) To approve the cancellation of the date for closing the share registration book on 16 April 2020 to determine the shareholders who are entitled to receive the dividend payment and the date for dividend payment on 29 April 2020. In this regard, the Company will consider the payment of dividends when an Annual General Shareholders' Meeting can be arranged.

At the Board of Directors' Meeting held on 14 May 2020, the Board of Directors approved the date of 2020 Annual General Shareholders' Meeting scheduled on 2 July 2020.

11 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2019, which are included in these interim financial statements for comparative purposes, have been reclassified to conform to the presentation in these interim financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
	<i>(in thousand Baht)</i>					
<i>Statement of financial position</i>						
Other receivables	6,889	5,832	12,731	3,850	2,681	6,531
Other current assets	6,247	(5,832)	415	2,945	(2,681)	264
Other payables	124,647	960	125,607	113,801	-	113,801
Other current liabilities	2,584	(960)	1,624	1,212	-	1,212
		<u>-</u>			<u>-</u>	