

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

AUDITOR'S REPORT AND

INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018

(UNAUDITED/ REVIEWED ONLY)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders of **BEAUTY COMMUNITY PUBLIC COMPANY LIMITED**

I have reviewed the accompanying statement of financial position of BEAUTY COMMUNITY PUBLIC COMPANY LIMITED as at March 31, 2018, the related statement of comprehensive income, statement of changes in shareholders' equity, and statement of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of Review

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

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting.

D I A International Audit Company Limited

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

May 11, 2018

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2018

(Unit: Baht)

Assets	Note	March 31, 2018	December 31, 2017
		(UNAUDITED / REVIEWED ONLY)	(AUDITED)
Current assets			
Cash and cash equivalents	5	1,241,426,766.01	505,856,612.84
Current investments	6	350,000,000.00	800,000,000.00
Trade and other current receivables	7,17	176,729,052.97	145,650,461.68
Inventories	8	<u>457,510,615.65</u>	<u>409,735,398.05</u>
Total current assets		<u>2,225,666,434.63</u>	<u>1,861,242,472.57</u>
Non-current assets			
Other long-term investments	9	50,000,000.00	50,000,000.00
Property, plant and equipment	10	284,722,397.81	288,565,795.71
Leasehold rights	11	5,818,210.55	6,113,950.07
Other intangible assets	12	20,983,816.78	20,960,259.37
Deferred tax assets	13	12,030,915.84	10,723,227.55
Other non-current assets	14	<u>98,340,559.90</u>	<u>97,888,635.34</u>
Total non-current assets		<u>471,895,900.88</u>	<u>474,251,868.04</u>
Total assets		<u><u>2,697,562,335.51</u></u>	<u><u>2,335,494,340.61</u></u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2018

(Unit: Baht)

Liabilities and shareholders' equity	<i>Note</i>	March 31, 2018 (UNAUDITED / REVIEWED ONLY)	December 31, 2017 (AUDITED)
Current liabilities			
Trade and other current payables	<i>15,17</i>	437,565,407.48	433,917,361.07
Accrued income tax		<u>240,521,664.73</u>	<u>177,839,471.27</u>
Total current liabilities		<u>678,087,072.21</u>	<u>611,756,832.34</u>
Non-current liabilities			
Non-current provisions for employee benefit	<i>16</i>	14,252,849.75	9,332,873.99
Other non-current provisions		5,103,350.00	5,103,350.00
Other non-current liabilities		<u>3,986,300.00</u>	<u>4,136,572.13</u>
Total non-current liabilities		<u>23,342,499.75</u>	<u>18,572,796.12</u>
Total liabilities		<u>701,429,571.96</u>	<u>630,329,628.46</u>
Shareholders' equity			
Share capital			
Authorized share capital			
3,022,610,000 common shares of Baht 0.10 each		<u>302,261,000.00</u>	<u>302,261,000.00</u>
Issued and paid-up share capital			
3,004,841,265 common shares of Baht 0.10 each	<i>18</i>	300,484,126.50	
3,002,734,585 common shares of Baht 0.10 each			300,273,458.50
Premium on common shares	<i>18</i>	581,285,328.47	570,726,071.12
Equity-settled share-based payment		11,452,670.64	10,311,302.69
Retained earnings			
Appropriated			
Legal reserve		30,226,100.00	30,226,100.00
Unappropriated		<u>1,072,684,537.94</u>	<u>793,627,779.84</u>
Total shareholders' equity		<u>1,996,132,763.55</u>	<u>1,705,164,712.15</u>
Total liabilities and shareholders' equity		<u>2,697,562,335.51</u>	<u>2,335,494,340.61</u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018
(UNAUDITED / REVIEWED ONLY)

	<i>Note</i>	2018	2017
			<i>(Unit: Baht)</i>
Revenues from sales		898,151,991.13	682,561,358.44
Cost of sales		<u>(290,348,007.39)</u>	<u>(227,539,430.90)</u>
Gross profit		<u>607,803,983.74</u>	<u>455,021,927.54</u>
Other income			
Interest income		4,309,679.50	3,688,344.77
Others		<u>2,479,931.69</u>	<u>1,281,369.77</u>
Total other income		<u>6,789,611.19</u>	<u>4,969,714.54</u>
Distribution costs		(194,141,663.08)	(160,235,140.22)
Administrative expenses		<u>(75,542,842.83)</u>	<u>(49,837,230.62)</u>
Profit before income tax		344,909,089.02	249,919,271.24
Tax expense	<i>13</i>	<u>(62,496,508.51)</u>	<u>(50,266,962.92)</u>
Profit for the period		<u>282,412,580.51</u>	<u>199,652,308.32</u>
Other comprehensive income :			
Components of other comprehensive income that will not be reclassified to profit or loss			
Losses on remeasurements of defined benefit plans		(4,194,778.01)	-
Less Taxable effects		<u>838,955.60</u>	<u>-</u>
Other comprehensive income for the period - Net of tax		<u>(3,355,822.41)</u>	<u>-</u>
Total comprehensive income for the period		<u><u>279,056,758.10</u></u>	<u><u>199,652,308.32</u></u>
Earnings per share			
Basic earnings per share	<i>20</i>	0.09	0.07
Diluted earnings per share	<i>20</i>	0.09	0.07

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018
(UNAUDITED / REVIEWED ONLY)

(Unit: Baht)

<i>Note</i>			Equity-settled	Retained earnings		Total
	Paid-up	Premium	share-based	Appropriated	Unappropriated	
	share capital	on common share	payment transactions	Legal reserve		
Balance as at January 1, 2017	300,000,000.00	556,439,628.87	4,768,867.48	30,000,000.00	429,079,158.14	1,320,287,654.49
Total comprehensive income for the period	-	-	-	-	199,652,308.32	199,652,308.32
Share-Based payments	-	-	1,656,010.52	-	-	1,656,010.52
Exercise right of warrants to purchase ordinary shares	96,560.00	4,948,178.84	(216,738.84)	-	-	4,828,000.00
Appropriated as legal reserve	-	-	-	226,100.00	(226,100.00)	-
Balance as at March 31, 2017	<u>300,096,560.00</u>	<u>561,387,807.71</u>	<u>6,208,139.16</u>	<u>30,226,100.00</u>	<u>628,505,366.46</u>	<u>1,526,423,973.33</u>
Balance as at January 1, 2018	300,273,458.50	570,726,071.12	10,311,302.69	30,226,100.00	793,627,779.84	1,705,164,712.15
Total comprehensive income for the period	-	-	-	-	279,056,758.10	279,056,758.10
Share-Based payments	-	-	1,377,893.30	-	-	1,377,893.30
Exercise right of warrants to purchase ordinary shares	210,668.00	10,559,257.35	(236,525.35)	-	-	10,533,400.00
Balance as at March 31, 2018	<u>300,484,126.50</u>	<u>581,285,328.47</u>	<u>11,452,670.64</u>	<u>30,226,100.00</u>	<u>1,072,684,537.94</u>	<u>1,996,132,763.55</u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018
(UNAUDITED / REVIEWED ONLY)

(Unit: Baht)

	2018	2017
Cash flows from operating activities		
Profit before income tax	344,909,089.02	249,919,271.24
Adjustment profit before income tax to cash receipt (disbursement) from operating activities		
Depreciation and amortization	15,135,497.37	15,088,262.93
Doubtful accounts	47,698.52	-
Loss on devaluation of inventories	676,820.54	842,186.70
(Gain) loss on sales of assets	(776,909.56)	98.58
Loss on write off assets	175,839.95	873,490.70
Deferred (income) for reward points	(1,331,760.00)	(1,529,538.31)
Non-current provisions for employee benefit	725,197.75	389,414.49
Expenses from share-based payments	<u>1,377,893.30</u>	<u>1,656,010.52</u>
Profit from operation before changes in operating assets and liabilities	360,939,366.89	267,239,196.85
(Increase) Decrease in changes of operating assets		
Trade and other current receivables	(31,126,289.81)	(41,684,746.17)
Inventories	(48,452,038.14)	67,065,670.52
Other non-current assets	<u>(451,924.56)</u>	<u>(3,981,487.04)</u>
(Increase) Decrease in changes of operating assets	<u>(80,030,252.51)</u>	<u>21,399,437.31</u>
Increase (Decrease) in changes of operating liabilities		
Trade and other current payables	(1,992,103.61)	(15,814,768.31)
Other non-current liabilities	<u>(150,272.13)</u>	<u>(57,150.00)</u>
Increase (Decrease) in changes of operating liabilities	<u>(2,142,375.74)</u>	<u>(15,871,918.31)</u>
Cash generated (paid) from operation	278,766,738.64	272,766,715.85
Income tax paid	<u>(283,047.74)</u>	<u>(69,676.88)</u>
Net cash provided by (used in) operating activities	<u>278,483,690.90</u>	<u>272,697,038.97</u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018
(UNAUDITED / REVIEWED ONLY)

(Unit: Baht)

	2018	2017
Cash flows from investing activities		
(Increase) Decrease in current investments	450,000,000.00	180,000,000.00
(Increase) Decrease in deposits at financial institutions with obligations	-	10,000,000.00
Building and equipment acquisition	(4,559,451.23)	(6,426,816.24)
Proceeds from sales of equipment	1,591,645.50	47,028.04
Other intangible assets acquisition	<u>(476,000.00)</u>	<u>(293,050.00)</u>
Net cash provided by (used in) investing activities	<u>446,556,194.27</u>	<u>183,327,161.80</u>
Cash flows from financing activities		
Dividend paid	(3,132.00)	-
Proceeds from exercise right of warrants to purchase of ordinary shares	<u>10,533,400.00</u>	<u>4,828,000.00</u>
Net cash provided by (used in) financing activities	<u>10,530,268.00</u>	<u>4,828,000.00</u>
Net increase (decrease) in cash and cash equivalents	735,570,153.17	460,852,200.77
Cash and cash equivalents as at the beginning of the period	<u>505,856,612.84</u>	<u>216,869,708.41</u>
Cash and cash equivalents as at the end of the period	<u><u>1,241,426,766.01</u></u>	<u><u>677,721,909.18</u></u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018
(UNAUDITED / REVIEWED ONLY)

1. GENERAL INFORMATION

Beauty Community Public Company Limited (“the Company”), the Company was registered as a listed company in the Stock Exchange of Thailand on December 12, 2012. The registered address is located at 10/915, Soi Nuanchan 34, Nuanchan, Bungkum, Bangkok.

The principle business of the Company is to retail of cosmetics.

Names of major shareholders as at March 14, 2018, the last closing date of share transferring suspension register are as follows:

	Percentage of shareholding (based on paid-up capital)
Mr. Suwin Kraiphubet	17.44
Thai NVDR Company Limited	10.49
Mrs. Tanyapon Kraibhubes	8.46
STATE STREET BANK EUROPE LIMITED	8.24

2. BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017) "Interim Financial Reporting", guidelines promulgated by the Federation of Accounting Professions (FAP) and presented in accordance with the regulations of the Securities and Exchange Commission with the Company chosen to present the condensed interim financial statements. However, the Company has presented the statements of financial position, statement of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Issued and revised financial reporting standards adoption during the periods

During the period, the Company has adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements

3.2 Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for the financial statements for the period beginning on or after January 1, 2019. The Company has not applied this financial reporting standard in the preparation of interim financial statements before effective date.

TFRS 15 Revenue from Contracts with Customers establishes for the entity to use in accounting for revenue arising from contracts with customers, the core principle is that the entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled. This standard introduces a five-step model to revenue recognition and requires the exercise of judgment for taking into consideration of the principle in each step of model applying. TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, and the related interpretations.

At present, the Management of the Company is being assessed the impacts of this standard on the financial statements in the year in which it is initially applied.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2017.

5. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	March 31, 2018	December 31, 2017
Cash	5,002,059.50	4,273,552.50
Current accounts	26,194,665.00	112,726,670.58
Savings deposit	1,207,998,108.06	338,001,052.88
Fixed deposits	-	50,000,000.00
Unbilled credit card slip	2,231,933.45	855,336.88
Total	<u>1,241,426,766.01</u>	<u>505,856,612.84</u>

6. CURRENT INVESTMENTS

The Company has current investments consisted of : -

(Unit: Baht)

	At interest rate per annum			
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Fixed deposits	1.35 - 1.55	1.35 - 1.55	350,000,000.00	700,000,000.00
Domestic private debt security	-	1.70	<u>-</u>	<u>100,000,000.00</u>
Total			<u>350,000,000.00</u>	<u>800,000,000.00</u>

7. TRADE AND OTHER CURRENT RECEIVABLES

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Trade accounts receivable		
Related parties	-	1,030,398.97
Other parties		
Franchise receivable	1,966,033.28	904,996.87
Employees receivable	761,333.57	259,253.41
Other parties receivable	30,100,884.06	25,711,090.50
Sale with consignment agreement receivables	101,227,637.64	64,011,682.25
Total other parties receivable	<u>134,055,888.55</u>	<u>90,887,023.03</u>
Total trade accounts receivable	134,055,888.55	91,917,422.00
Less Allowance for doubtful accounts	<u>(622,430.01)</u>	<u>(574,731.49)</u>
Trade accounts receivable - net	<u>133,433,458.54</u>	<u>91,342,690.51</u>
Other current receivables		
Prepaid expenses	22,634,106.70	34,324,055.92
Accrued interest	3,255,671.62	3,001,286.84
Goods deposit	851,107.44	-
Advance payment	792,253.00	869,918.00
Non-refund input tax	11,472,000.08	10,700,374.41
Prepaid value added tax	3,892,560.29	4,916,820.31
Others	397,895.30	495,315.69
Total other current receivables	<u>43,295,594.43</u>	<u>54,307,771.17</u>
Total trade and other current receivables	<u><u>176,729,052.97</u></u>	<u><u>145,650,461.68</u></u>

The Company has outstanding trade accounts receivable classified by aging as follows:

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Trade accounts receivable due in term	124,169,362.38	87,504,562.69
Overdue trade accounts receivable		
- Less than 3 months	9,532,933.02	4,040,075.82
- Over 3 months but less than 1 year	353,593.15	372,783.49
Total trade accounts receivable	<u>134,055,888.55</u>	<u>91,917,422.00</u>

8. INVENTORIES

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Finished goods	340,951,511.40	306,709,144.26
Packaging	67,361,026.36	61,942,466.98
Work in process	53,169,954.69	43,514,133.56
Supplies	3,606,576.23	4,471,285.74
Total	<u>465,089,068.68</u>	<u>416,637,030.54</u>
Less Allowance for devaluation of inventories	<u>(7,578,453.03)</u>	<u>(6,901,632.49)</u>
Net	<u>457,510,615.65</u>	<u>409,735,398.05</u>

9. OTHER LONG-TERM INVESTMENTS

The Company has other long-term investments in the form of fixed deposits with fourteen month maturity at a local financial institution amount of Baht 50 million at the interest rate of 1.60% per annum.

10. PROPERTY, PLANT AND EQUIPMENT

Movement for the three-month periods ended March 31, 2018, are summarized as follows:

	<i>(Unit : Baht)</i>
Net book value as at January 1, 2018	288,565,795.71
Acquisition during the period	11,534,493.25
Disposal	(814,735.94)
Adjustment	(175,839.95)
Depreciation for the period	<u>(14,387,315.26)</u>
Net book value as at March 31, 2018	<u><u>284,722,397.81</u></u>

Part of buildings at net book value amount of Baht 95.68 million are constructed on land leased from director as stated in note 17.3.

Depreciation for the three-month periods ended March 31, 2018 and 2017 amounted to Baht 14.39 million and Baht 14.45 million respectively.

As at March 31, 2018 and 2017, the Company has fixed assets at cost amount of Baht 111.61 million and Baht 104.35 million respectively which have been fully depreciated but are still in use.

11. LEASEHOLD RIGHTS

Movement for the three-month periods ended March 31, 2018, are summarized as follows:

	<i>(Unit: Baht)</i>
Net book value as at January 1, 2018	6,113,950.07
Amortization for the period	<u>(295,739.52)</u>
Net book value as at March 31, 2018	<u><u>5,818,210.55</u></u>

Amortization of leasehold right for the three-month periods ended March 31, 2018 and 2017 amounted to Baht 0.30 million and Baht 0.32 million respectively.

12. OTHER INTANGIBLE ASSETS

Movement for the three-month periods ended March 31, 2018, are summarized as follows:

	<i>(Unit: Baht)</i>
Net book value as at January 1, 2018	20,960,259.37
Acquisition during the period	476,000.00
Amortization for the period	<u>(452,442.59)</u>
Net book value as at March 31, 2018	<u>20,983,816.78</u>

Amortization of other intangible assets for the three-month periods ended March 31, 2018 and 2017 amounted to Baht 0.45 million and Baht 0.32 million respectively.

13. DEFERRED TAX ASSETS

	<i>(Unit :Baht)</i>	
	March 31, 2018	December 31, 2017
Deferred tax assets	12,030,915.84	10,723,227.55
Deferred tax liabilities	<u>-</u>	<u>-</u>
Net	<u>12,030,915.84</u>	<u>10,723,227.55</u>

Movements of deferred tax assets and liabilities incurred during the period as follows:

	<i>(Unit :Baht)</i>			
	As at	Credit (charged) to		As at
	January 1,	Profit or loss	Other	March 31,
	2018		Comprehensive	2018
			income	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred tax assets				
Allowance for devaluation of goods	1,380,326.49	135,364.11	-	1,515,690.60
Allowance for devaluation of assets	985,026.00	-	-	985,026.00
Employee benefit obligations	1,866,574.80	145,039.55	838,955.60	2,850,569.95
Deferred income for reward points	5,281,974.21	217,448.64	-	5,499,422.85
Dismantling provisions	60,979.91	8,389.07	-	69,368.98
Accrued expenses	<u>1,148,346.14</u>	<u>(37,508.68)</u>	-	<u>1,110,837.46</u>
Total	<u>10,723,227.55</u>	<u>468,732.69</u>	<u>838,955.60</u>	<u>12,030,915.84</u>

Income tax expenses for the three-month periods ended March 31, 2018 and 2017 can be summarized as follows:

	<i>(Unit :Baht)</i>	
	2018	2017
<i>Current tax:</i>		
Income tax for the periods	62,965,241.20	53,034,514.27
<i>Deferred tax :</i>		
Deferred tax (income) derived from temporary differences and reversal of temporary differences presented in statement of comprehensive income	<u>(468,732.69)</u>	<u>(2,767,551.35)</u>
Tax expenses in statements of comprehensive income	<u>62,496,508.51</u>	<u>50,266,962.92</u>
Tax (income) related to actuarial gains directly recorded to other comprehensive income	<u>(838,955.60)</u>	<u>-</u>
Total	<u><u>(838,955.60)</u></u>	<u><u>-</u></u>

14. OTHER NON-CURRENT ASSETS

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Rental and services deposit	95,391,599.03	95,150,108.22
Others	<u>2,948,960.87</u>	<u>2,738,527.12</u>
Total	<u><u>98,340,559.90</u></u>	<u><u>97,888,635.34</u></u>

15. TRADE AND OTHER CURRENT PAYABLES

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Trade accounts payable		
Related parties	-	2,060,000.00
Other parties	206,915,368.95	188,970,759.05
Total trade accounts payable	<u>206,915,368.95</u>	<u>191,030,759.05</u>
Other current payables		
Accrued expenses	112,328,367.14	165,077,136.42
Revenue Department payable	26,377,080.97	22,256,242.69
Assets payables	14,524,482.99	19,896,807.61
Amount received advance for goods	43,560,520.19	2,594,566.89
Deferred income for reward points	27,497,114.28	26,409,871.08
Others	6,362,472.96	6,651,977.33
Total other current payables	<u>230,650,038.53</u>	<u>242,886,602.02</u>
Total trade and other current payables	<u><u>437,565,407.48</u></u>	<u><u>433,917,361.07</u></u>

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements for the three-month periods ended March 31, 2018 as follows:

	<i>(Unit: Baht)</i>
Balance as at January 1, 2018	9,332,873.99
Current costs of services and interest	725,197.75
Actuarial loss recognized in other	
comprehensive income during the periods	<u>4,194,778.01</u>
Balance as at March 31, 2018	<u><u>14,252,849.75</u></u>

Long-term employee benefit expenses for the three-month periods ended March 31, 2018 and 2017 recognized in comprehensive income are summarized below:

	<i>(Unit: Baht)</i>	
	2018	2017
Distribution costs	83,735.25	31,598.37
Administrative expenses	641,462.50	357,816.12
Total	<u>725,197.75</u>	<u>389,414.49</u>

Actuarial (gains) and losses recognized in other comprehensive income arising from:

	<i>(Unit : Baht)</i>
	2018
Financial assumptions	241,092.00
Demographic assumptions	3,093,078.00
Experience adjustment	<u>860,608.01</u>
Total	<u><u>4,194,778.01</u></u>

17. TRANSACTION WITH RELATED PERSONS AND PARTIES

The Company had transaction with related persons and parties. These transactions are related in the normal course of business and on the basis of the Company and related persons or parties concerned.

Relationship of the Company and related persons and parties can be summarized as follows:

<u>Related parties and persons name</u>	<u>Relationship</u>	<u>Related transactions</u>
<i>I. Persons consist of:-</i>		
Mrs. Tanyapon Kraibhubes	Shareholder and director	Land with its construction rental, land rental, obligations under land lease agreement
Mr. Praty Levan	Shareholder and director (Resigned from director on November 10, 2017)	Sale of goods (franchise), purchase of goods

<u>Related parties and persons name</u>	<u>Relationship</u>	<u>Related transactions</u>
2. <i>Body of persons consist of:-</i>		
C&N International Ordinary Partnership	Shareholder and director (Mr. Praty Levan)	Sale of goods (franchise)
Bevita International Co., Ltd.	Director's relative (Mrs. Rukchanok Chiangtong is near relative of Mr. Praty Levan)	Purchase of goods

<u>Related transactions</u>	<u>Pricing policy</u>
Revenues from sales (franchise)	Market price as applicable to other franchises
Other income	As indicated in agreement
Purchase of goods	Market price as applicable to major customers
Land with its construction rental	As indicated in agreement
Land rental	As indicated in agreement
Land lease agreement obligations	As indicated in agreement

17.1 Transactions between the Company with related persons and parties can be summarized as follow:

(Unit: Baht)

	<u>For the three-month periods ended</u>	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Revenues from sales		
C&N International Ordinary Partnership	-	1,630,493.48
Other income		
C&N International Ordinary Partnership	-	1,260.00
Purchase of goods		
Bevita International Co., Ltd.	-	4,773,364.48
Land with its construction rental		
Mrs. Tanyapon Kraibhubes	87,000.00	87,000.00
Land rental		
Mrs. Tanyapon Kraibhubes	319,073.26	319,073.26

17.2 The balance with its related persons and parties as at March 31, 2018 and December 31, 2017 are as follow:

	<i>(Unit: Baht)</i>	
	March 31, 2018	December 31, 2017
Trade accounts receivable		
C&N International Ordinary Partnership	-	1,030,398.97
Non-current assets-rental deposit		
Mrs. Tanyapon Kraibhubes	87,000.00	87,000.00
Trade accounts payable		
Bevita International Co., Ltd.	-	2,060,000.00
Accrued rental		
Mrs. Tanyapon Kraibhubes	3,237,245.25	3,161,172.00

17.3 Lease agreement obligations

17.3.1 The Company has commitment under land lease agreement dated June 11, 2013 for a period of 20 years. The rental is determined equal to the independent appraiser and according to the minutes of shareholders' general meeting for the year 2014 held on April 25, 2014, passed the resolution to amend agreement by making memorandum attached agreement by extending the lease period for another 10 years in the amount of Baht 16.44 million to total period of 30 years in the amount of Baht 38.28 million in accordance with agreement dated July 23, 2014. The lease agreement period is commenced on January 1, 2014 - December 31, 2043 (the counterparties agreed to collect rental since the completion of buildings and others constrection or since January 1, 2016 whichever is earlier until the maturity of lease period). However, the Company started to record rental since January 1, 2014 onwards. The construction structured on such lease land was not transferred the ownership to the lessor, the lessee should dismantled such construction when the Company ceased the lease.

As at March 31, 2018 the Company is liable on payment the remaining rental under land lease agreement as follows:

	<i>(Unit: Baht)</i>
Payment within	
1 year	907,605.00
Over 1 year not exceed 5 years	4,024,080.00
Over 5 years (to 30 years)	29,639,206.00
Total	<u>34,570,891.00</u>

17.3.2 As at March 31, 2018, the Company is liable on payment under land with its construction lease agreement for the remaining rental amount Baht 261,000.

18. PAID-UP SHARE CAPITAL / SHARE PREMIUM

Reconciliation

	Paid-up share capital		Premium on
			common share
	Number of share	Paid-up share	
	(Share)	(Baht)	(Baht)
As at January 1, 2018	3,002,734,585	300,273,458.50	570,726,071.12
Increase share capital from exercise			
of warrants	2,106,680	210,668.00	10,559,257.35
As at March 31, 2018	3,004,841,265	300,484,126.50	581,285,328.47

During the period, there is exercise of warrants to purchase ordinary shares ((ESOP Warrant-1) for the amount of Baht 210,668 (2,106,680 ordinary shares at par value of Baht 0.10 each) and resulting to the increase in premium on ordinary shares total amount of Baht 10,559,257.35 (included capital adjustment from share-based payment to premium, on ordinary shares amount of Baht 236,525.35).

The Company has registered such paid-up share capital with the Ministry of Commerce on January 26, 2018.

19. WARRANTS TO PURCHASE ORDINARY SHARES

As at March 31, 2018, ESOP Warrant-1 remain equal to 17,768,735 units, the last exercise period is on July 17, 2021.

Reconciliation of warrants is as follows:

	Warrants
	(Unit)
As at January 1, 2018	19,875,415
Decrease from exercise	(2,106,680)
As at March 31, 2018	17,768,735

The Company recorded expenses of the ESOP Warrant-1 for the three-month periods ended March 31, 2018 amounting to Baht 1.38 million as employee expenses and recognized “Equity-Settled Share-Based Payment” in shareholders' equity by the same amount.

20. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share for the three-month periods ended March 31, 2018 and 2017 are as follows:

(Unit : Baht)

	For the three-month					
	2018			2017		
	Profit (Loss)	Weighted average number of common share	Earnings per share	Profit (Loss)	Weighted average number of common share	Earnings per share
	_____	_____	_____	_____	_____	_____
Basic earnings per share	282,412,580.51	3,004,256,076	0.09	199,652,308.32	3,000,965,600	0.07
Effects of dilutive potential						
ordinary shares	-	2,303,792	-	-	1,321,210	-
Diluted earnings per share	282,412,580.51	3,006,559,868	0.09	199,652,308.32	3,002,286,810	0.07

21. FINANCIAL INFORMATION BY SEGMENT

21.1 The core operating segment information is to distribute cosmetic by retail and non-retail channel. This operating segment information is reported corresponding with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision makes of the Company has been identified as the President of executive management.

Revenues from sale separated by nature of distribution channel the three-month periods ended March 31, 2018 and 2017 are as follows:

(Unit : Baht)

	2018	2017
Retail	613,157,164.69	517,464,352.65
Non-retail	284,994,826.44	165,097,005.79
Total	<u>898,151,991.13</u>	<u>682,561,358.44</u>

21.2 For the purpose of management, the Company restructured the organization as domestic and overseas geographical segment by separating into retail and non-retail distribution. Besides, the Company has overseas income, and selling to franchise and business centre lower than 10 % of total sale volume, so therefore, the Company did not present financial information by segment.

22. COMMITMENT AND CONTINGENT LIABILITIES

22.1 The Company has obligations under lease of space and services agreements of the Company's branches for the periods from 1 year to 3 years. The Company is liable on payment rental and service under agreement as at March 31, 2018 as follows:

(Unit: Baht)

Payment within	
1 year	186,956,998.75
Over 1 year but less than 3 years	<u>133,952,057.11</u>
Total	<u>320,909,055.86</u>

22.2 The Company is liable on payment for computer software installation as at March 31, 2018, amount of Baht 1.95 million.

22.3 The Company is liable on payment under lease of vehicle as at March 31, 2018, amount of Baht 5.16 million.

22.4 Obligations under lease agreement with related person

22.4.1 Obligations under lease land agreement for warehouse building construction.

(Unit: Baht)

Payment within	
1 year	907,605.00
Over 1 year not exceed 5 years	4,024,080.00
Over 5 year (to 30 years)	<u>29,639,206.00</u>
Total	<u>34,570,891.00</u>

22.4.2 Obligations under lease land and with its construction agreement to be paid within one year amount of Baht 261,000.

23. CAPITAL MANAGEMENT

The objective of capital management of the Company is to appropriate properly financial structure and to preserve the ability to continue its operation as a going concern.

As at March 31, 2018, the Company has debt to equity ratio equal to 0.35 fold.

24. EVENTS AFTER THE REPORTING PERIOD

According to the Annual General Meeting of shareholders for the year 2018 held on April 25, 2018, passed the resolution to pay dividend from the 2017 results of operations to the shareholders for 3,005 million shares at Baht 0.408 each, amounting to Baht 1,226 million. The Company has already paid interim dividend in 2017 at Baht 0.15 per share amounting to Baht 451 million, the remaining dividend to be paid of Baht 0.258 per share amounting to 775 million, will be paid on May 18, 2018.

25. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Company's Board of directors on May 11, 2018.