

**Do Day Dream 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 Do Day Dream Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Do Day Dream Public Company Limited and its subsidiaries, and of Do Day Dream 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, the 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 the 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".

(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2019

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
Assets	Note	2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current assets					
Cash and cash equivalents	5	3,150,571	1,774,482	2,924,862	1,484,274
Current investments	6	800,266	2,399,564	800,266	2,399,564
Trade accounts receivable and other receivables	4, 7	225,612	265,890	232,693	209,572
Short-term loans to subsidiaries	4	-	-	107,000	100,000
Inventories		375,222	391,583	296,789	359,180
Other current assets		8,266	5,104	3,468	2,705
Total current assets		4,559,937	4,836,623	4,365,078	4,555,295
Non-current assets					
Investments in subsidiaries	8	-	-	201,030	201,030
Property, plant and equipment	9	260,116	274,221	259,058	273,248
Intangible assets		106,994	108,829	14,772	16,598
Restricted deposits at financial institutions		20,273	20,273	20,273	20,273
Deferred tax assets		17,249	6,534	4,853	2,183
Other non-current assets		1,719	1,723	26	26
Total non-current assets		406,351	411,580	500,012	513,358
Total assets		4,966,288	5,248,203	4,865,090	5,068,653

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2019	2018	2019	2018
Liabilities and equity	Note	(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current liabilities					
Trade accounts payable and other payables	4	130,712	156,900	32,250	52,880
Current portion of long-term loans					
from financial institutions		-	29,492	-	29,492
Current portion of liabilities under					
hire purchase and finance lease liabilities		404	993	404	993
Current tax payable		6,558	4,229	7,616	1,663
Other current liabilities		3,304	2,854	989	1,081
Total current liabilities		140,978	194,468	41,259	86,109
Non-current liabilities					
Long-term loans from financial institutions		-	61,705	-	61,705
Liabilities under hire purchase and					
finance lease liabilities		1,909	2,214	1,909	2,214
Non-current provisions for employee benefit		2,032	7,096	1,909	5,985
Total non-current liabilities		3,941	71,015	3,818	69,904
Total liabilities		144,919	265,483	45,077	156,013

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated financial statements		Separate financial statements	
	30 September 2019 (Unaudited)	31 December 2018	30 September 2019 (Unaudited)	31 December 2018
	<i>(in thousand Baht)</i>			
Liabilities and equity (Continued)				
Equity				
Share capital				
Authorised share capital	318,000	318,000	318,000	318,000
Issued and paid-up share capital	317,888	317,888	317,888	317,888
Share premium				
Share premium on ordinary shares	4,399,860	4,399,860	4,399,860	4,399,860
Deficit on change in the ownership interests in subsidiary	(31,836)	(31,836)	-	-
Retained earnings				
Appropriated				
Legal reserve	31,800	31,800	31,800	31,800
Unappropriated	84,228	237,541	70,465	163,092
Other components of equity	(5,268)	1,997	-	-
Equity attributable to owners of the parent	4,796,672	4,957,250	4,820,013	4,912,640
Non-controlling interests	24,697	25,470	-	-
Total equity	4,821,369	4,982,720	4,820,013	4,912,640
Total liabilities and equity	4,966,288	5,248,203	4,865,090	5,068,653

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Revenue					
Revenue from sale of goods	10	172,911	249,785	108,297	108,254
Dividend income from subsidiary	8	-	-	-	79,997
Other income		18,882	11,208	20,285	17,072
Total revenue		191,793	260,993	128,582	205,323
Expenses					
Cost of sales of goods		62,563	97,701	79,605	82,601
Distribution costs		105,309	108,687	3,787	2,720
Administrative expenses		30,336	52,030	24,186	42,913
Finance costs		33	2,213	33	2,213
Total expenses		198,241	260,631	107,611	130,447
Profit (loss) before income tax expense		(6,448)	362	20,971	74,876
Tax expense (income)		(151)	184	4,139	(1,307)
Profit (loss) for the period		(6,297)	178	16,832	76,183
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(1,229)	(6,399)	-	-
Total item that will be reclassified subsequently to profit or loss		(1,229)	(6,399)	-	-
Other comprehensive income (expense) for the period, net of tax		(1,229)	(6,399)	-	-
Total comprehensive income (expense) for the period		(7,526)	(6,221)	16,832	76,183

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of the parent	(2,233)	(674)	16,832	76,183
Non-controlling interests	<u>(4,064)</u>	<u>852</u>	<u>-</u>	<u>-</u>
Profit (loss) for the period	<u>(6,297)</u>	<u>178</u>	<u>16,832</u>	<u>76,183</u>
Total comprehensive income (expense)				
attributable to:				
Owners of the parent	(3,112)	(6,137)	16,832	76,183
Non-controlling interests	<u>(4,414)</u>	<u>(84)</u>	<u>-</u>	<u>-</u>
Total comprehensive income (expense)				
for the period	<u>(7,526)</u>	<u>(6,221)</u>	<u>16,832</u>	<u>76,183</u>
Basic earnings (loss) per share <i>(in Baht)</i>	<u>(0.007)</u>	<u>(0.002)</u>	<u>0.05</u>	<u>0.24</u>

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenue					
Revenue from sale of goods	10	557,335	983,361	294,024	485,091
Dividend income from subsidiaries	8	-	-	24,520	79,997
Other income		51,066	43,296	56,838	53,454
Total revenue		608,401	1,026,657	375,382	618,542
Expenses					
Cost of sales of goods		180,380	319,383	199,062	318,207
Distribution costs		305,820	371,705	10,077	20,726
Administrative expenses		112,973	127,223	95,960	106,024
Finance costs		585	8,364	585	8,364
Total expenses		599,758	826,675	305,684	453,321
Profit before income tax expense		8,643	199,982	69,698	165,221
Tax expense		4,117	24,671	7,006	15,626
Profit for the period		4,526	175,311	62,692	149,595
Other comprehensive income					
Item that will be reclassified					
subsequently to profit or loss					
Exchange differences on translating foreign operations		(8,294)	1,487	-	-
Total item that will be reclassified					
subsequently to profit or loss		(8,294)	1,487	-	-

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other comprehensive income (continued)				
<i>Items that will not be reclassified</i>				
<i>to profit or loss</i>				
Gains on remeasurements of defined benefit plans	5,569	-	4,531	-
Income tax relating to item that will not be reclassified	(1,114)	-	(906)	-
Total items that will not be reclassified				
to profit or loss	4,455	-	3,625	-
Other comprehensive income (expense)				
for the period, net of tax	(3,839)	1,487	3,625	-
Total comprehensive income for the period	687	176,798	66,317	149,595
Profit attributable to:				
Owners of the parent	1,176	174,357	62,692	149,595
Non-controlling interests	3,350	954	-	-
Profit for the period	4,526	175,311	62,692	149,595
Total comprehensive income				
attributable to:				
Owners of the parent	(1,634)	176,780	66,317	149,595
Non-controlling interests	2,321	18	-	-
Total comprehensive income				
for the period	687	176,798	66,317	149,595
Basic earnings per share (in Baht)	0.004	0.55	0.20	0.47

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements									
	Retained earnings					Other components of equity				
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Difcit on changes in the ownership interests in subsidiary	Legal reserve	Unappropriated	Translating foreign operations	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in thousand Baht)</i>										
Nine-month period ended 30 September 2018										
Balance at 1 January 2018	316,000	4,347,915	117	(31,836)	31,800	122,492	-	4,786,488	-	4,786,488
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Issue of ordinary shares	1,888	51,945	(184)	-	-	-	-	53,649	-	53,649
Share-based payment transactions	-	-	67	-	-	-	-	67	-	67
Dividends	-	-	-	-	-	(66,360)	-	(66,360)	-	(66,360)
Total contributions by and distributions to owners of the parent	1,888	51,945	(117)	-	-	(66,360)	-	(12,644)	-	(12,644)
<i>Changes in ownership interests in subsidiaries</i>										
Increase in non-controlling interests from set up new subsidiaries	-	-	-	-	-	-	-	-	22,716	22,716
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	22,716	22,716
Total transactions with owners, recorded directly in equity	1,888	51,945	(117)	-	-	(66,360)	-	(12,644)	22,716	10,072
Comprehensive income for the period										
Profit	-	-	-	-	-	174,357	-	174,357	954	175,311
Other comprehensive income	-	-	-	-	-	-	2,423	2,423	(936)	1,487
Total comprehensive income for the period	-	-	-	-	-	174,357	2,423	176,780	18	176,798
Balance at 30 September 2018	317,888	4,399,860	-	(31,836)	31,800	230,489	2,423	4,950,624	22,734	4,973,358

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements											
					Retained earnings		Other components of equity				
	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Dificit on changes in the ownership interests in subsidiary	Legal reserve	Unappropriated	Translating foreign operations	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)											
Nine-month period ended 30 September 2019											
Balance at 1 January 2019		317,888	4,399,860	-	(31,836)	31,800	237,541	1,997	4,957,250	25,470	4,982,720
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends	11	-	-	-	-	-	(158,944)	-	(158,944)	(3,094)	(162,038)
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(158,944)	-	(158,944)	(3,094)	(162,038)
Comprehensive income for the period											
Profit		-	-	-	-	-	1,176	-	1,176	3,350	4,526
Other comprehensive income (expense)		-	-	-	-	-	4,455	(7,265)	(2,810)	(1,029)	(3,839)
Total comprehensive income (expense) for the period		-	-	-	-	-	5,631	(7,265)	(1,634)	2,321	687
Balance at 30 September 2019		317,888	4,399,860	-	(31,836)	31,800	84,228	(5,268)	4,796,672	24,697	4,821,369

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Legal reserve	Unappropriated	
(in thousand Baht)						
Nine-month period ended 30 September 2018						
Balance at 1 January 2018	316,000	4,347,915	117	31,800	69,345	4,765,177
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Issue of ordinary shares	1,888	51,945	(184)	-	-	53,649
Share-based payment transactions	-	-	67	-	-	67
Dividends	-	-	-	-	(66,360)	(66,360)
Total transactions with owners, recorded directly in equity	1,888	51,945	(117)	-	(66,360)	(12,644)
Comprehensive income for the period						
Profit	-	-	-	-	149,595	149,595
Total comprehensive income for the period	-	-	-	-	149,595	149,595
Balance at 30 September 2018	317,888	4,399,860	-	31,800	152,580	4,902,128

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements					
					Retained earnings		
		Issued and	Share	Capital reserve	Legal		
	Note	paid-up	premium	for share-based	reserve	Unappropriated	
		share capital		payment			
				transactions			
						Total	
						equity	
(in thousand Baht)							
Nine-month period ended 30 September 2019							
Balance at 1 January 2019		317,888	4,399,860	-	31,800	163,092	4,912,640
Transactions with owners,							
recorded directly in equity							
Distributions to owners							
Dividends	11	-	-	-	-	(158,944)	(158,944)
Total transactions with owners,							
recorded directly in equity							
		-	-	-	-	(158,944)	(158,944)
Comprehensive income for the period							
Profit		-	-	-	-	62,692	62,692
Other comprehensive income		-	-	-	-	3,625	3,625
Total comprehensive income for the period		-	-	-	-	66,317	66,317
Balance at 30 September 2019		317,888	4,399,860	-	31,800	70,465	4,820,013

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the period	4,526	175,311	62,692	149,595
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	4,117	24,671	7,006	15,626
Finance costs	585	8,364	585	8,364
Depreciation and amortization	25,257	24,146	24,911	23,886
Provisions for employee benefits	504	2,193	456	1,853
Unrealised (gain) loss on exchange	(72)	2,914	48	521
Share-based payment	-	67	-	67
Gains on fair value adjustment	(505)	-	(505)	-
Gain on disposal of current investments	(22,512)	-	(22,512)	-
(Reversal of) bad and doubtful debts expenses	(209)	112	-	-
Losses on inventories devaluation	19,218	1,523	18,895	1,627
(Gains) losses on disposal of property, plant and equipment	169	(1)	169	(1)
Written-off property, plant and equipment	30	49	30	49
Dividend income	-	-	(24,520)	(79,997)
Interest income	(25,332)	(34,241)	(26,601)	(36,035)
	5,776	205,108	40,654	85,555
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable and other receivables	38,709	82,438	(26,680)	67,746
Inventories	(2,856)	(119,595)	43,496	(108,513)
Other current assets	(3,162)	(8,746)	(763)	5,526
Other non-current assets	5	(930)	-	220
Trade accounts payable and other payables	(27,392)	(120,225)	(21,263)	(205,703)
Other current liabilities	449	1,991	(92)	226
Net cash generated from (used in) operating	11,529	40,041	35,352	(154,943)
Taxes paid	(13,555)	(44,264)	(4,630)	(35,983)
Net cash from (used in) operating activities	(2,026)	(4,223)	30,722	(190,926)
<i>Cash flows from investing activities</i>				
Changes in restricted deposits at financial institutions	-	15,000	-	15,000
Acquisition of investment in subsidiaries	-	-	-	(123,375)
Acquisition of group assets	-	(94,888)	-	-
Proceeds from disposal of non-controlling interest	-	22,716	-	-

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2019	2018	2019	2018
	(in thousand Baht)			
<i>Cash flows from investing activities (continued)</i>				
Acquisition of current investments	(3,392,722)	(2,919,452)	(3,392,722)	(2,919,452)
Proceeds from sale of current investments	5,015,037	-	5,015,037	-
Acquisition of property, plant and equipment	(8,499)	(17,820)	(8,247)	(17,663)
Proceeds from sale of property, plant and equipment	-	19	-	19
Acquisition of intangible assets	(24)	(3,299)	-	(2,948)
Short-term loan to subsidiaries	-	-	(17,000)	(100,000)
Proceeds from repayment of loan to a subsidiary	-	-	10,000	-
Dividends received	-	-	24,520	79,997
Interest received	27,005	28,961	30,117	28,659
Net cash from (used in) investing activities	1,640,797	(2,968,763)	1,661,705	(3,039,763)
<i>Cash flows from financing activities</i>				
Proceeds from exercise of share options	-	53,649	-	53,649
Repayment of short-term loans	-	(253,120)	-	(253,120)
Proceeds from long-term loans	-	49,900	-	49,900
Repayment of long-term loans	(91,197)	(19,887)	(91,197)	(19,887)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(1,004)	(1,252)	(1,004)	(1,252)
Dividends paid to owners of the Company	(162,038)	(65,933)	(158,944)	(65,933)
Interest paid	(694)	(8,210)	(694)	(8,210)
Net cash used in financing activities	(254,933)	(244,853)	(251,839)	(244,853)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	1,383,838	(3,217,839)	1,440,588	(3,475,542)
Effect of exchange rate changes on cash and cash equivalents	(7,749)	1,204	-	-
Net increase (decrease) in cash and cash equivalents	1,376,089	(3,216,635)	1,440,588	(3,475,542)
Cash and cash equivalents at 1 January	1,774,482	4,388,519	1,484,274	4,338,834
Cash and cash equivalents at 30 September	3,150,571	1,171,884	2,924,862	863,292
Supplemental disclosures of cash flows information:				
Property, plant and equipment acquired during the nine-month periods ended 30 September 2019 and 2018 are detailed as follows:				
Increase in property, plant and equipment during the period	9,496	15,128	9,099	14,971
Change in payables on acquisition of plant and equipment	(997)	2,692	(852)	2,692
Net acquisition of property, plant and equipment paid by cash	8,499	17,820	8,247	17,663

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

Do Day Dream Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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Do Day Dream Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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

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

1 General information

The principal businesses of the Company and its subsidiaries (together referred to the “Group”) are manufacturing and distributing cosmetic.

The Company’s major shareholder during the financial period was Mr. Sarawut Pornpatanarak (56.50% shareholding).

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, estimates and accounting policies

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 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. The Group disclosed the material effect from the change in accounting policy in note 3.

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

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3 Change in accounting policy

The Group has initially applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) from 1 January 2019. TFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognised.

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.

The Group has adopted TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (1 January 2019). Accordingly, the Group has not restated the information presented for 2018 and presented them as previously reported, under TAS 18, TAS 11 and related interpretations. Additionally, the disclosure requirements under TFRS 15 have not been applied to comparative information.

The detail and quantitative impact of the change in accounting policy are disclosed as follows:

a. Principal and agent consideration

The Group entered into a contract with a customer on delivery of goods to the end customers on behalf of the said customer. Under TAS 18, the Group assessed that the customer has significant risks and rewards of ownership of the goods based on credit risk. Then the Group recognised revenue from sales at a contract price, net of commission paid to the said customer when transferring the goods to the end customers. Under TFRS 15, the Group assessed whether the said customer has control over the goods before transferring them to the end customers. The Group determined that the customer has no control over the goods before transferring them to the end customer. Therefore, the intermediate customer acts as the Group’s agent to sell the said goods to the end customers. As a result, the Group recognises revenue at stand-alone selling price and commission paid to the intermediate customer as expense.

b. Payment to a customer

The Group makes payments to its retailers for product placement (“slotting fees”), promotion events or advertising. Under TAS 18, the Group recognised such amounts as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

TFRS 15 did not have any material impact on the Group’s accounting policies with respect to other revenue streams.

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The following tables summarise the impacts of initial application of TFRS 15 on the consolidated and separate financial statements.

<i>Statement of comprehensive income for the three-month period ended 30 September 2019</i>	<i>Note</i>	Consolidated financial statements			Separate financial statements		
		Amounts as reported	Adjustments	Amounts without adoption of TFRS 15 (in thousand Baht)	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
Continuing operations							
Revenue from sale of goods	<i>b</i>	172,911	7,399	180,310	108,297	-	108,297
Other income		18,882	-	18,882	20,285	-	20,285
Costs of sales of goods		62,563	-	62,563	79,605	-	79,605
Distribution costs	<i>b</i>	105,309	7,399	112,708	3,787	-	3,787
Administrative expenses		30,336	-	30,336	24,186	-	24,186
Finance costs		33	-	33	33	-	33
Profit (loss) before income tax expense from continuing operations		(6,448)	-	(6,448)	20,971	-	20,971
Tax expense (income)		(151)	-	(151)	4,139	-	4,139
Profit (loss) for the period		(6,297)	-	(6,297)	16,832	-	16,832
Total comprehensive income (expense) for the period		(7,526)	-	(7,526)	16,832	-	16,832
Basic earnings (loss) per share (in Baht)							
Basic earnings (loss) per share from continuing operations		(0.007)	-	(0.007)	0.05	-	0.05

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<i>Statement of comprehensive income for the nine-month period ended 30 September 2019</i>	<i>Note</i>	Consolidated financial statements			Separate financial statements		
		Amounts as reported	Adjustments	Amounts without adoption of TFRS 15 (in thousand Baht)	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
Continuing operations							
Revenue from sale of goods	<i>b</i>	557,335	14,800	572,135	294,024	-	294,024
Other income		51,066	-	51,066	81,358	-	81,358
Costs of sales of goods		180,380	-	180,380	199,062	-	199,062
Distribution costs	<i>b</i>	305,820	14,800	320,620	10,077	-	10,077
Administrative expenses		112,973	-	112,973	95,960	-	95,960
Finance costs		585	-	585	585	-	585
Profit before income tax expense from continuing operations		8,643	-	8,643	69,698	-	69,698
Tax expense		4,117	-	4,117	7,006	-	7,006
Profit for the period		4,526	-	4,526	62,692	-	62,692
Total comprehensive income for the period		687	-	687	66,317	-	66,317
Basic earnings per share (in Baht)							
Basic earnings per share from continuing operations		0.004	-	0.004	0.20	-	0.20

There is no material impact on the consolidated and separate statements of cash flows for the nine-month period ended 30 September 2019 from the adoption of TFRS 15.

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4 Related parties

Relationships with subsidiaries are described in notes 8. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Mr.Sarawut Pornpatanarak	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including major shareholder and director of the Group
PM Chemical Company Limited	Thailand	Shared directors and share holders
The Fourteen Company Limited	Thailand	Related by director
Nama Nama Group Company Limited	Thailand	Shared directors and share holders
Key management personnel	Thai	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

Material change in pricing policies during the nine-month period ended 30 September 2019 is as follows:

Transactions	Pricing policies
Interest income	Fixed deposit rate

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- 4.1 Significant transactions for the three-month and nine-month periods ended 30 September with related parties were as follows:

<i>For the 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, net of discount	-	-	108,132	107,747
Rental income	-	-	129	121
Management fee income	-	-	972	2,010
Interest income	-	-	503	1,071
Dividend income	-	-	-	79,997
Other related parties				
Sales of goods, net of discount	6,975	26,256	-	-
Purchases of goods	135	-	135	-
Sales promotion expense	1,108	4,743	-	-
Rental fee expense	213	301	213	45
Insurance expense	-	189	-	407
Entertainment expense	-	-	-	6
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	8,751	11,344	8,473	10,143
Post-employment benefits	48	281	48	204
Total key management benefit expenses	<u>8,799</u>	<u>11,625</u>	<u>8,521</u>	<u>10,347</u>
<i>For the 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, net of discount	-	-	293,374	425,366
Rental income	-	-	385	353
Management fee income	-	-	3,995	6,499
Interest income	-	-	1,677	2,096
Dividend income	-	-	24,520	79,997
Other related parties				
Sales of goods, net of discount	30,123	119,671	-	-
Purchases of goods	597	1,219	597	1,219
Sales promotion expense	4,471	17,620	-	-
Rental fee expense	606	991	606	45
Insurance expense	-	407	-	407
Entertainment expense	9	6	9	6

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<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018

(in thousand Baht)

Key management personnel

Key management benefit expenses				
Short-term employee benefits	32,846	45,698	32,568	41,014
Post-employment benefits	120	841	120	613
Total key management benefit expenses	<u>32,966</u>	<u>46,539</u>	<u>32,688</u>	<u>41,627</u>

4.2 Balances as at 30 September 2019 and 31 December 2018 with related parties were as follows:

<i>Trade accounts receivable and other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018

(in thousand Baht)

Subsidiaries	-	-	219,225	185,971
Other related companies	2,086	5,310	-	-
Total	<u>2,086</u>	<u>5,310</u>	<u>219,225</u>	<u>185,971</u>

Short-term loans to subsidiaries

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

	Interest rate		Separate financial statements			
	31 December 2018 <i>(% per annum)</i>	30 September 2019	31 December 2018	Increase <i>(in thousand Baht)</i>	Decrease	30 September 2019
Dream Dermatology Company Limited	4.25	1.9	100,000	-	(10,000)	90,000
Skin Make Smiles Company Limited	-	1.9	-	17,000	-	17,000
Total			<u>100,000</u>			<u>107,000</u>

<i>Trade accounts payable and other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018

(in thousand Baht)

Subsidiaries	-	-	-	-
Other related companies	71	1,167	71	64
Total	<u>71</u>	<u>1,167</u>	<u>71</u>	<u>64</u>

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Cash on hand	64	87	20	26
Cash at financial institutions				
- current accounts	125,402	115,250	20,278	11,526
Cash at financial institutions				
- savings accounts	822,123	856,162	701,582	669,739
Highly liquid short-term investments	2,202,982	802,983	2,202,982	802,983
Total	3,150,571	1,774,482	2,924,862	1,484,274

As at 30 September 2019, deposits in savings accounts and fixed deposit carried interests of 0.1% - 1.9% per annum (31 December 2018: 0.1% - 1.9% per annum).

6 Current investments

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	200,001	900,001	200,001	900,001
Equity securities held for trading	500,505	1,101,760	500,505	1,101,760
Other debt securities held to maturity	99,760	397,803	99,760	397,803
Total	800,266	2,399,564	800,266	2,399,564

As at 30 September 2019, Short-term deposits at financial institutions, with a carrying amount of Baht 200 million (31 December 2018: Baht 900 million) have annual interest rates of 1.90% (31 December 2018: 1.45% to 1.90%) and mature within 1 year. Held-to-maturity investments have interest rates of 1.95% (31 December 2018: 1.82% to 1.83%) and mature within 1 year.

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Movements during the nine-month periods ended 30 September 2019 of trading securities were as follows:

	Consolidated financial statements/Separate financial statements			
	At 31 December 2018	Purchase	Disposal (in thousand Baht)	Fair value adjustment
				At 30 September 2019
Current investments				
Equity securities held for trading	1,101,760	2,700,000	(3,301,760)	505
Total	1,101,760			500,505

7 Trade accounts receivable and other receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
				(in thousand Baht)
Trade accounts receivable	197,378	225,127	220,051	189,444
Less allowance for doubtful accounts	(426)	(1,173)	(355)	(364)
Net	196,952	223,954	219,696	189,080
Other receivables	28,660	41,936	12,997	20,492
Total trade accounts receivable and other receivables - net	225,612	265,890	232,693	209,572

Aging analyses for trade accounts receivable were as follow:

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
				(in thousand Baht)
Trade accounts receivable - related parties				
Within credit terms	2,086	5,310	97,660	25,961
Overdue:				
Less than 3 months	-	-	44,177	90,887
3-6 months	-	-	69,622	62,264
Total	2,086	5,310	211,459	179,112
Less allowance for doubtful accounts	-	-	-	-
Trade accounts receivable - related parties, net	2,086	5,310	211,459	179,112

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	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
- other parties				
Within credit terms	121,045	167,468	1,634	3,007
Overdue:				
Less than 3 months	47,759	49,776	-	5,619
3-6 months	15,578	1,703	-	1,699
6-12 months	9,231	75	5,350	-
Over 12 months	1,679	795	1,608	7
Total	195,292	219,817	8,592	10,332
Less allowance for doubtful accounts	(426)	(1,173)	(355)	(364)
Trade accounts receivable				
- other parties, net	194,866	218,644	8,237	9,968
Total trade accounts receivable - net	196,952	223,954	219,696	189,080

The normal credit term granted by the Group ranges from 15 days to 180 days.

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8 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:

Name of subsidiary	Type of business	Country of incorporation	Ownership interest		Separate financial statements				Dividend income for the nine-month periods ended	
					Paid-up capital		Cost			
			30	31	30	31	30	31	30	30
			September 2019	December 2018	September 2019	December 2018	September 2019	December 2018	September 2019	September 2018
<i>Local direct subsidiaries</i>										
Namu Life Plus Company Limited	Distribution of cosmetic and supplement	Thailand	100	100	5,000	5,000	52,655	52,655	23,000	79,997
Do Infinite Dream Company Limited	Management, technical, financing and enterprise service	Thailand	100	100	100,000	100,000	100,000	100,000	-	-
Dream Dermatology Company Limited	Distribution of cosmetic and supplement	Thailand	95	95	50,000	50,000	47,500	47,500	1,520	-
Skin Make Smiles Company Limited	Distribution of cosmetic	Thailand	70	70	1,250	1,250	875	875	-	-
Total							201,030	201,030	24,520	79,997
<i>Foreign Indirect subsidiaries</i>										
Do Day Dream Holding Pte.Ltd.	Holding company	Singapore	100	100	USD 2,000,000	USD 2,000,000				
Do Day Dream Trading Pte.Ltd.	General wholesale trade (include general importer and exporter)	Singapore	100	100	USD 300,000	USD 300,000				
Do Day Dream Philippines Corporation	General wholesale trade (include general importer and exporter)	Philippines	51	51	PHP 66,000,000	PHP 66,000,000				

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9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in thousand Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	-	-	-	-
Buildings and building improvements	35	-	35	-
Machinery and equipment	16,553	(203)	16,139	(203)
Vehicles	-	-	-	-
Assets under construction and installation	3,588	-	3,588	-
Total	20,176	(203)	19,762	(203)

As at 30 September 2019, the Group and the Company had vehicles which were acquired under finance lease agreements and hire purchase agreements with net book value of Baht 3.11 million (31 December 2018: Baht 6.31 million).

Security

As at 30 September 2019, the Company's property, plant and equipment with total net book value of Baht 96.20 million (31 December 2018: Baht 97.95 million) were pledged under credit facilities from financial institutions.

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10 Segment information and disaggregation of revenue

Revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The Group's main revenue is derived from sale of goods.

The nature and effect of initially applying TFRS 15 on the interim financial statements are disclosed in Note 3.

Segment information

Management considers that the Group operates in a single line of business, namely the manufacture and distribution of cosmetic, and has, therefore, only one reportable segment.

Geographic information

Revenue from external customers is based on locations of the customers.

In the following table, revenue is disaggregated by primary geographical market and service lines and timing of revenue recognition.

	Consolidated financial statements	
	2019	2018
<i>For the three-month period ended 30 September</i>	<i>(in thousand Baht)</i>	
Primary geographical markets		
Revenue from local sales	134,464	207,839
Revenue from export sales	38,447	41,946
Total	172,911	249,785
Timing of revenue recognition		
At a point in time	172,911	249,785
Over time	-	-
Total	172,911	249,785
Profit (loss) from operation after intra-group elimination and internal expense allocation	(6,415)	2,575
Finance costs	(33)	(2,213)
Income tax income (expense)	151	(184)
Profit (loss) for the period	(6,297)	178
<i>For the nine-month period ended 30 September</i>	2019	2018
	<i>(in thousand Baht)</i>	
Primary geographical markets		
Revenue from local sales	434,164	765,452
Revenue from export sales	123,171	217,909
Total	557,335	983,361

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	Consolidated financial statements	
	2019	2018
	(in thousand Baht)	
For the nine-month period ended 30 September		
Timing of revenue recognition		
At a point in time	557,335	983,361
Over time	-	-
Total	557,335	983,361
Profit from operation after intra-group elimination and internal expense allocation	9,228	208,346
Finance costs	(585)	(8,364)
Income tax expense	(4,117)	(24,671)
Profit for the period	4,526	175,311
Separate financial statements		
	2019	2018
	(in thousand Baht)	
For the three-month period ended 30 September		
Primary geographical markets		
Revenue from local sales	89,626	74,657
Revenue from export sales	18,671	33,597
Total	108,297	108,254
Timing of revenue recognition		
At a point in time	108,297	108,254
Over time	-	-
Total	108,297	108,254
Profit from operation	21,004	77,089
Finance costs	(33)	(2,213)
Income tax income (expense)	(4,139)	1,307
Profit for the period	16,832	76,183
For the nine-month period ended 30 September		
	2019	2018
	(in thousand Baht)	
Primary geographical markets		
Revenue from local sales	225,432	375,147
Revenue from export sales	68,592	109,944
Total	294,024	485,091
Timing of revenue recognition		
At a point in time	294,024	485,091
Over time	-	-
Total	294,024	485,091

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<i>For the nine-month period ended 30 September</i>	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Profit from operation	70,283	173,585
Finance costs	(585)	(8,364)
Income tax expense	(7,006)	(15,626)
Profit for the period	62,692	149,595

11 Dividends

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

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Annual dividend of 2018	24 April 2019	May 2019	0.5	158.94

12 Financial instruments

Carrying amount 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. 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/ Separate financial statements			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
30 September 2019					
Financial assets					
measured at fair value					
Equity securities held for trading	501	-	501	-	501
		Consolidated/ Separate financial statements			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2018					
Financial assets					
measured at fair value					
Equity securities held for trading	1,102	-	1,102	-	1,102

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Fair value of financial assets and liabilities

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

The fair value of financial lease liabilities are taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

The Group has considered the level 2 fair value of equity securities held for trading based on net asset value as at the measurement date according to the fund's information released to the public.

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.

13 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 30 September 2019</i>		
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	6,024	6,024
Total	6,024	6,024
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	10,023	4,616
After one year but within five years	4,497	224
Total	14,520	4,840

Guarantee

As at 30 September 2019, there was outstanding bank guarantee of approximately Baht 0.27 million (31 December 2018: Baht 0.27 million) issued by bank on behalf of the Company in respect of guarantee electricity use.

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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. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. 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.