

Rockworth Public Company Limited
Review report and interim financial information
For the three-month period ended
31 March 2020



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Rockworth Public Company Limited

I have reviewed the accompanying statement of financial position in which the equity method is applied of Rockworth Public Company Limited as at 31 March 2020, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information in which the cost method is applied of Rockworth Public Company Limited for the same period (collectively "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*.



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Emphasis of Matter

I draw attention to Note 1.3 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 March 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 12 May 2020

Rockworth Public Company Limited

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements		
	in which the equity method is applied		in which the cost method is applied		
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents		55,513	61,514	55,513	61,514
Current investments	2	-	101,500	-	101,500
Trade and other receivables	4	141,903	216,743	141,903	216,743
Inventories	5	152,260	161,026	152,260	161,026
Other current financial assets	6	101,714	-	101,714	-
Other current assets		12,136	7,232	12,136	7,232
Total current assets		463,526	548,015	463,526	548,015
Non-current assets					
Restricted bank deposits		20,202	20,202	20,202	20,202
Other non-current financial assets	7	4,386	-	4,386	-
Investments in available-for-sale securities		-	59	-	59
Investment in associate	8	-	-	-	-
Other long-term investments		-	1,500	-	1,500
Investment properties	9	69,600	69,600	69,600	69,600
Property, plant and equipment	10	284,857	304,414	284,857	304,414
Right-of-use assets	11	80,555	-	80,555	-
Intangible assets		2,044	1,582	2,044	1,582
Other non-current assets		6,175	5,712	6,175	5,712
Total non-current assets		467,819	403,069	467,819	403,069
Total assets		931,345	951,084	931,345	951,084

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



ROCKWORTH

บริษัท ร็อกเวิร์ท จำกัด (มหาชน)
Rockworth Public Company Limited

Rockworth Public Company Limited
Statement of financial position (continued)
As at 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements		
	in which the equity method is applied		in which the cost method is applied		
	<u>Note</u>	<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		196,700	215,000	196,700	215,000
Trust receipts		6,805	25,460	6,805	25,460
Trade and other payables		76,958	109,132	76,958	109,132
Current portion of long-term loans	12	10,080	10,080	10,080	10,080
Current portion of lease liabilities	13	3,984	3,233	3,984	3,233
Advances received from customers		19,579	18,222	19,579	18,222
Other current liabilities		5,904	11,695	5,904	11,695
Total current liabilities		320,010	392,822	320,010	392,822
Non-current liabilities					
Long-term loans, net of current portion	12	5,640	8,160	5,640	8,160
Lease liabilities	13	69,522	14,687	69,522	14,687
Provision for long-term employee benefits	14	77,896	75,994	77,896	75,994
Deferred tax liabilities		4,500	2,283	4,500	2,283
Total non-current liabilities		157,558	101,124	157,558	101,124
Total liabilities		477,568	493,946	477,568	493,946

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

 
ROCKWORTH
บริษัท ร็อกวอร์ธ จำกัด (มหาชน)
Rockworth Public Company Limited

Rockworth Public Company Limited
Statement of financial position (continued)
As at 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		in which the cost method is applied	
	<u>31 March 2020</u>	<u>31 December 2019</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
20,000,000 ordinary shares of Baht 10 each	200,000	200,000	200,000	200,000
Issued and fully paid				
20,000,000 ordinary shares of Baht 10 each	200,000	200,000	200,000	200,000
Retained earnings				
Appropriated - statutory reserve	13,650	13,650	13,650	13,650
Unappropriated	162,452	163,791	146,479	147,818
Other components of shareholders' equity	77,675	79,697	93,648	95,670
Total shareholders' equity	453,777	457,138	453,777	457,138
Total liabilities and shareholders' equity	931,345	951,084	931,345	951,084

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

Directors



ROCKWORTH

บริษัท ร็อกเวิร์ท จำกัด (มหาชน)
Rockworth Public Company Limited

(Unaudited but reviewed)

Rockworth Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2020

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		in which the cost method is applied	
Note	2020	2019	2020	2019
Profit or loss:				
Revenues				
Sales and service income	159,064	159,138	159,064	159,138
Other income	3,612	1,266	3,612	1,266
Total revenues	162,676	160,404	162,676	160,404
Expenses				
Cost of sales and services	109,316	105,675	109,316	105,675
Selling and distribution expenses	23,561	22,080	23,561	22,080
Administrative expenses	25,486	22,228	25,486	22,228
Total expenses	158,363	149,983	158,363	149,983
Profit from operating activities	4,313	10,421	4,313	10,421
Finance income	100	86	100	86
Finance cost	(2,714)	(2,083)	(2,714)	(2,083)
Impairment loss on financial assets	(3,693)	-	(3,693)	-
Profit (loss) before income tax expenses	(1,994)	8,424	(1,994)	8,424
Income tax expenses	15 (1,651)	(1,105)	(1,651)	(1,105)
Profit (loss) for the period	(3,645)	7,319	(3,645)	7,319
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Gain on changes in value of available-for-sale investments	-	136	-	136
Less: Income tax effect	15 -	(27)	-	(27)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	-	109	-	109
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Loss on investment in equity designated at fair value through other comprehensive income	(12)	-	(12)	-
Less: Income tax effect	15 2	-	2	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(10)	-	(10)	-
Other comprehensive income for the period	(10)	109	(10)	109
Total comprehensive income for the period	(3,655)	7,428	(3,655)	7,428
Basic earnings per share				
Profit (loss) for the period	16 (0.18)	0.37	(0.18)	0.37

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

ROCKWORTH
บริษัท ร็อกเวิร์ท จำกัด (มหาชน)
Rockworth Public Company Limited

(Unaudited but reviewed)

Rockworth Public Company Limited
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

Financial statements in which the equity method is applied											
Other components of shareholders' equity											
Issued and paid-up share capital	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of investments in available-for-sale securities	Gain (loss) from change in value of investment in equity instruments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total	Other comprehensive income		
	Appropriated - statutory reserve	Unappropriated							Unappropriated	Surplus on changes in value of investments in available-for-sale securities	Gain (loss) from change in value of investment in equity instruments
Balance as at 1 January 2019	200,000	13,650	167,154	(15,973)	3,222	-	91,493	78,742	-	-	459,546
Loss for the period	-	-	7,319	-	-	-	-	-	-	-	7,319
Other comprehensive income for the period	-	-	-	-	109	-	-	109	-	-	109
Total comprehensive income for the period	-	-	7,319	-	109	-	-	109	-	-	7,428
Balance as at 31 March 2019	200,000	13,650	174,473	(15,973)	3,331	-	91,493	78,851	-	-	466,974
Balance as at 31 December 2019	200,000	13,650	163,791	(15,973)	4,177	-	91,493	79,697	-	-	457,138
Cumulative effect of change in accounting policy (Note 2)	-	-	2,306	-	(4,177)	2,165	-	(2,012)	-	-	294
Balance as at 1 January 2020 - as restated	200,000	13,650	166,097	(15,973)	-	2,165	91,493	77,685	-	-	457,432
Profit for the period	-	-	(3,645)	-	-	-	-	-	-	-	(3,645)
Other comprehensive income for the period	-	-	-	-	-	(10)	-	(10)	-	-	(10)
Total comprehensive income for the period	-	-	(3,645)	-	-	(10)	-	(10)	-	-	(3,655)
Balance as at 31 March 2020	200,000	13,650	162,452	(15,973)	-	2,155	91,493	77,675	-	-	453,777

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


ROCKWORTH
ร็อกเวิร์ท ปับลิค คอมพานี จำกัด (มหาชน)
Rockworth Public Company Limited

(Unaudited but reviewed)

Rockworth Public Company Limited
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements in which the cost method is applied									
	Other components of shareholders' equity									
	Issued and paid-up share capital	Retained earnings - Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of investments in available-for-sale securities	Gain (loss) from change in value of investment in equity instruments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity		
Balance as at 1 January 2019	200,000	13,650	151,181	3,222	-	91,493	94,715	459,546		
Loss for the period	-	-	7,319	-	-	-	-	7,319		
Other comprehensive income for the period	-	-	-	109	-	-	109	109		
Total comprehensive income for the period	-	-	7,319	109	-	-	109	7,428		
Balance as at 31 March 2019	200,000	13,650	158,500	3,331	-	91,493	94,824	466,974		
Balance as at 31 December 2019	200,000	13,650	147,818	4,177	-	91,493	95,670	457,138		
Cumulative effect of change in accounting policy (Note 2)	-	-	2,306	(4,177)	2,165	-	(2,012)	294		
Balance as at 1 January 2020 - as restated	200,000	13,650	150,124	-	2,165	91,493	93,658	457,432		
Profit for the period	-	-	(3,645)	-	-	-	-	(3,645)		
Other comprehensive income for the period	-	-	-	-	(10)	-	(10)	(10)		
Total comprehensive income for the period	-	-	(3,645)	-	(10)	-	(10)	(3,655)		
Balance as at 31 March 2020	200,000	13,650	146,479	-	2,155	91,493	93,648	453,777		



ROCKWORTH
บริษัท ไร้ควอร์ท จำกัด
Rockworth Public Company Limited

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

(Unaudited but reviewed)

Rockworth Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		in which the cost method is applied	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	(1,994)	8,424	(1,994)	8,424
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful accounts (reversal)	3,693	(2,887)	3,693	(2,887)
Reduction of inventory cost to net realisable value (reversal)	2,879	(4,013)	2,879	(4,013)
Depreciation and amortisation	8,641	6,582	8,641	6,582
Gain from disposal of equipment	(227)	(57)	(227)	(57)
Provision for long-term employee benefits	2,052	1,373	2,052	1,373
Gain from change in fair value of financial assets	(214)	-	(214)	-
Unrealised loss (gain) on exchange	(1,370)	564	(1,370)	564
Interest expenses	2,578	1,816	2,578	1,816
Profit from operating activities before changes in operating assets and liabilities	16,038	11,802	16,038	11,802
Operating assets (increase) decrease				
Trade and other receivables	70,776	10,180	70,776	10,180
Inventories	5,887	(3,128)	5,887	(3,128)
Other current assets	(6,597)	(5,639)	(6,597)	(5,639)
Other non-current assets	1,798	27	1,798	27
Operating liabilities increase (decrease)				
Trade and other payables	(36,367)	(11,192)	(36,367)	(11,192)
Other current liabilities	(4,407)	3,758	(4,407)	3,758
Cash flows from operating activities	47,128	5,808	47,128	5,808
Cash paid for long-term employee benefits	(150)	-	(150)	-
Cash paid for interest expenses	(2,298)	(1,707)	(2,298)	(1,707)
Cash paid for income tax	(568)	(438)	(568)	(438)
Net cash flows from operating activities	44,112	3,663	44,112	3,663

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

ROCKWORTH
บริษัท รัททวิธ จำกัด (มหาชน)
Rockworth Public Company Limited.

(Unaudited but reviewed)

Rockworth Public Company Limited
Cash flow statement (continued)
For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied	in which the equity method is applied	in which the cost method is applied	in which the cost method is applied
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	-	(129)	-	(129)
Acquisition of building improvement, equipment and intangible assets	(1,975)	(2,604)	(1,975)	(2,604)
Proceeds from disposal of equipment	200	131	200	131
Net cash flows used in investing activities	(1,775)	(2,602)	(1,775)	(2,602)
Cash flows from financing activities				
Cash receipt from short-term loans from financial institutions	10,000	-	10,000	-
Repayment of short-term loans from financial institutions	(28,300)	-	(28,300)	-
Decrease in trust receipts	(18,655)	-	(18,655)	-
Payment of lease liabilities	(8,863)	(784)	(8,863)	(784)
Repayment of long-term loans	(2,520)	(2,520)	(2,520)	(2,520)
Net cash flows used in financing activities	(48,338)	(3,304)	(48,338)	(3,304)
Net decrease in cash and cash equivalents	(6,001)	(2,243)	(6,001)	(2,243)
Cash and cash equivalents at beginning of period	61,514	40,975	61,514	40,975
Cash and cash equivalents at end of period	55,513	38,732	55,513	38,732
Supplemental cash flows information				
Non-cash transactions				
Acquisition of building improvement and equipment which cash had not been paid	3,677	4,027	3,677	4,027
Assets acquired under lease agreements	3,027	-	3,027	-

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

ROCKWORTH

บริษัท ร็อกเวิร์ท จำกัด (มหาชน)
Rockworth Public Company Limited

Rockworth Public Company Limited
Notes to interim financial statements
For the three-month periods ended 31 March 2020

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The 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 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 interim financial statements.

1.3 New financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through other comprehensive income.
- Classification and measurement of investment in available-for-sale securities in units of open-end funds - The Company's available-for-sale investment in units of open-end funds are measured at fair value through other comprehensive income. The Company has decided to classify this investment as financial assets at fair value through profit or loss. The cumulative gains on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses - The Company recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.

- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of land and investment properties.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.4.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Company makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.




1.4.2 Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.3 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:



(Unit: Thousand Baht)

Financial statements in which the equity method is applied

	31 December 2019	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	101,500	(101,500)	-	-
Trade and other receivables	216,743	(1,977)	-	214,766
Other current financial assets	-	101,500	-	101,500
Non-current assets				
Other non-current financial assets	-	4,398	-	4,398
Investment in available-for-sale securities	59	(59)	-	-
Other long-term investments	1,500	(1,500)	-	-
Property, plant and equipment	304,414	-	(18,191)	286,223
Right-of-use assets	-	-	79,613	79,613
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	3,233	-	8,269	11,502
Non-current liabilities				
Lease liabilities, net of current portion	14,687	-	53,153	67,840
Deferred tax liabilities	2,283	568	-	2,851
Shareholders' equity				
Retained earnings - unappropriated	163,791	2,306	-	166,097
Other components of shareholders' equity	79,697	(2,012)	-	77,685

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(Unit: Thousand Baht)

Separate financial statements in which the cost method applied

	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	101,500	(101,500)	-	-
Trade and other receivables	216,743	(1,977)	-	214,766
Other current financial assets	-	101,500	-	101,500
Non-current assets				
Other non-current financial assets	-	4,398	-	4,398
Investment in available-for-sale securities	59	(59)	-	-
Other long-term investments	1,500	(1,500)	-	-
Property, plant and equipment	304,414	-	(18,191)	286,223
Right-of-use assets	-	-	79,613	79,613
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	3,233	-	8,269	11,502
Non-current liabilities				
Lease liabilities, net of current portion	14,687	-	53,153	67,840
Deferred tax liabilities	2,283	568	-	2,851
Shareholders' equity				
Retained earnings - unappropriated	147,818	2,306	-	150,124
Other components of shareholders' equity	95,670	(2,012)	-	93,658

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2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

Classification of available-for-sale investments as financial assets at fair value through profit or loss	4,283
Recognition of an allowance for expected credit losses on financial assets	<u>(1,977)</u>
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>2,306</u>

Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

Classification of available-for-sale investments as financial assets at fair value through profit or loss	(4,283)
Fair value measurement of investments in equity instruments of non - listed companies	<u>2,271</u>
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	<u>(2,012)</u>



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The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			Total
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	61,514	-	-	61,514	61,514
Current investments	101,500	101,500	-	-	101,500
Trade and other receivables	216,743	-	-	214,766	214,766
Restricted bank deposits	20,202	-	-	20,202	20,202
Investment in available-for-sale securities	59	-	59	-	59
Other long-term investments	1,500	-	4,339	-	4,339
Total financial assets	414,462	101,500	4,398	309,426	415,324

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

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2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	18,107
Add: Option to extend lease term	62,001
Less: Contracts reassessed as service agreements	(2,552)
Less: Deferred interest expenses	(16,134)
Increase in lease liabilities due to TFRS 16 adoption	61,422
Liabilities under finance lease agreements as at 31 December 2019	17,920
Lease liabilities as at 1 January 2020	<u>79,342</u>
Comprise of:	
Current lease liabilities	11,502
Non-current lease liabilities	67,840
	<u>79,342</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
Land	61,422
Machineries and equipment	17,439
Office equipment	39
Vehicles	713
Total right-of-use assets	<u>79,613</u>

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3. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	
<u>Transactions with associated company</u>			
Sales of goods	1,874	3,244	Market price
Purchases of goods	50	238	Market price
<u>Transactions with related companies</u>			
Rental income	654	553	Contract price
Purchases of assets	-	881	Market price

As at 31 March 2020 and 31 December 2019, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	<u>31 March 2020</u>	<u>31 December 2019</u>
<u>Trade and other receivables - related parties (Note 4)</u>		
Associated company		
Rockworth Systems Furniture (India) Private Limited	21,714	37,476
Related companies		
Coffee Properties Plus Company Limited	90	92
Copper Crown Company Limited	48,869	55,685
Crown Innovation Company Limited	97	192
Total	70,770	93,445
Less: Allowance for doubtful accounts	(21,613)	(17,469)
Total trade and other receivables - related parties, net	49,157	75,976
<u>Trade payables - related party</u>		
Associated company		
Rockworth Systems Furniture (India) Private Limited	1,834	2,048

Directors and management's benefits

During the three-month periods ended 31 March 2020, the Company had employee benefit expenses payable to its directors and management totaling Baht 10 million (2019: Baht 10 million).

4. **Trade and other receivables**

	(Unit: Thousand Baht)	
	31 March 2020	31 December 2019
<u>Trade receivables - related party (Note 3)</u>		
Aged on the basis of due dates		
Not yet due	2,768	15,051
Past due		
Up to 3 months	-	643
3 - 6 months	-	5
Over 12 months	14,103	13,003
Total	16,871	28,702
Less: Allowance for doubtful accounts	(14,103)	(13,003)
Total trade receivables - related party, net	2,768	15,699
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	58,142	78,607
Past due		
Up to 3 months	19,737	59,012
3 - 6 months	16,231	2,827
6 - 12 months	37	23
Over 12 months	2,634	2,723
Total	96,781	143,192
Less: Allowance for doubtful accounts	(4,188)	(2,665)
Total trade receivables - unrelated parties, net	92,593	140,527
Total trade receivables - net	95,361	156,226
<u>Other receivables - related parties (Note 3)</u>		
Other receivables - related parties	53,899	64,743
Less: Allowance for doubtful accounts	(7,510)	(4,466)
Total other receivables - related parties, net	46,389	60,277

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2020	31 December 2019
<u>Other receivables - unrelated parties</u>		
Accrued income	395	479
Less: Allowance for doubtful accounts	(242)	(239)
Total other receivables - unrelated parties, net	153	240
Total other receivables - net	46,542	60,517
Total trade and other receivables - net	141,903	216,743

5. Inventories

Movements in the reduce cost of inventories to net realisable value account during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2020	25,247
Reduction of inventory cost to realisable value during the period	2,879
Balance as at 31 March 2020	28,126

6. Other current financial assets

As at 31 March 2020, the Company had investment in units of fixed income open-end funds which are financial assets at fair value through profit or loss amounting to Baht 102 million.

7. Other non-current financial assets

As at 31 March 2020, details of other non-current financial assets are as below.

(Unit: Thousand Baht)

Financial assets at fair value through other comprehensive income

Investment in equity instruments of listed company	47
Investment in equity instruments of non-listed company	4,339
Total other non-current financial assets	4,386

8. Investment in associate

Investment in associate represents an investment in Rockworth Systems Furniture (India) Private Limited, which was incorporated in India and was principally engaged in the manufacture and distribution of furniture. The Company holds 41% interest with a value of Baht 113 million at cost. The Company has set full allowance for impairment loss of such investment.



9. Investment properties

Investment properties are land and building for rent. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the income approach. The key assumptions used in the valuation are vacancy rate, capitalisation rate, discount rate and rental rate.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2019	304,414
Effect of the adoption of TFRS 16	(18,191)
Net book value as at 1 January 2020	286,223
Acquisitions during the period - at cost	4,939
Depreciation for the period	(6,305)
Net book value as at 31 March 2020	284,857

The Company arranged for an independent professional valuer to appraise the value of land in 2018. The basis of the revaluation was market comparison approach.

11. Right-of-use assets

Movements of the rights-of-use assets account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2019	-
Adjustments of right-of-use assets due to TFRS 16 adoption	79,613
Net book value as at 1 January 2020	79,613
Addition	3,027
Depreciation for the period	(2,085)
Net book value as at 31 March 2020	80,555



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12. Long-term loans

Movement of the long-term loan account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2020	18,240
Less: Repayment	<u>(2,520)</u>
Balance as at 31 March 2020	15,720
Less: Current portion	<u>(10,080)</u>
Long-term loans, net of current portion	<u><u>5,640</u></u>

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

13. Lease liabilities

The carrying amounts of lease liabilities and the movement for the three-month period ended 31 March 2020 are presented below.

	(Unit: Thousand Baht)
As at 31 December 2019	17,920
Effects of the adoption of TFRS16	<u>61,422</u>
As at 1 January 2020	79,342
Addition	2,644
Accretion of interest	383
Payments	<u>(8,863)</u>
As at 31 March 2020	73,506
Less: current portion	<u>(3,984)</u>
Lease liabilities - net of current portion	<u><u>69,522</u></u>

14. Provision for long-term employee benefits

Movement of the provision for long-term employee benefits account during the three-month period ended 31 March 2020 was as follows:

	(Unit: Thousand Baht)
Balance as at 1 January 2020	75,994
Current service cost for the period	1,748
Interest cost for the period	304
Benefits paid during the period	<u>(150)</u>
Balance as at 31 March 2020	<u><u>77,896</u></u>



15. Income tax

Income tax for the three-month periods ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2020</u>	<u>2019</u>
Current income tax:		
Interim corporate income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>1,651</u>	<u>1,105</u>
Income tax expense reported in the statements of comprehensive income	<u>1,651</u>	<u>1,105</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to gain (loss) on changes in value of investment in equity instruments of listed company	<u>(2)</u>	<u>27</u>

16. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

17. Credit facilities

The Company has mortgaged/pledged the following assets with financial institutions to secure credit facilities and loans granted by those financial institutions.

- Cash at banks totaling Baht 20 million (31 December 2019: Baht 20 million)
- Investment properties, land with structures thereon, and most of machinery and equipment

In addition, the credit facilities and loans are guaranteed by the directors of the Company.

As at 31 March 2020, there was credit facilities of the Company that had yet to be drawn down of Baht 114 million (31 December 2019: Baht 96 million).




18. Segment information

The one main reportable operating segment of the Company is the manufacturing and distribution of furniture. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits or losses and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

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

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2020</u>	<u>2019</u>
Revenues from external customers		
Thailand	147,711	149,104
Asia (excluded of Thailand)	11,353	10,034
Total	<u>159,064</u>	<u>159,138</u>

Major customers

For the three-month periods ended 31 March 2020 and 2019, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

19. Commitments and contingent liabilities**19.1 Purchase of raw material commitments and capital commitment**

As at 31 March 2020, the Company had commitments in respect of purchase of finished goods approximately USD 0.02 million (31 December 2019: USD 0.04 million) and had capital commitment in respect of improvement of office building and acquisition of equipment approximately Baht 0.6 million (31 December 2019: Baht 1.4 million).

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19.2 Services commitments

The Company has service agreements which the terms of the agreements are generally between 1 - 2 years.

Future minimum payments required under these service contracts were as follows:

	(Unit: Million Baht)	
	<u>31 March 2020</u>	<u>31 December 2019</u>
Payable:		
In up to 1 year	1.8	2.8

19.3 Guarantees

19.3.1 As at 31 March 2020, there were outstanding bank guarantees of approximately Baht 19 million (31 December 2019: Baht 34 million) issued by banks on behalf of the Company in respect of electricity use and certain contractual performance guarantees as required in the normal course of its business.

19.3.2 As at 31 March 2020, the Company has guaranteed bank credit facilities of its associated company amounting to INR 228 million (31 December 2019: INR 228 million).

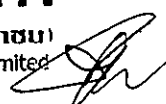
20. Foreign currency risk

The balances of financial assets and financial liabilities denominated in foreign currencies, which are unhedged, as at 31 March 2020 and 31 December 2019 are summarised below.

	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Foreign currency	(Million)	(Million)	(Million)	(Million)	(Baht per unit of foreign currency)	
US Dollar	0.6	1.2	0.4	1.2	32.6712	30.1540



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21. Fair value hierarchy

The Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Investment in units of fixed income				
open-end funds	-	101,714	-	101,714
Other non-current financial assets				
Investment in equity instruments of listed company				
	47	-	-	47
Investment in equity instruments of non-listed company				
	-	-	4,339	4,339
Investment properties	-	-	69,600	69,600
Land	-	-	185,036	185,036

(Unit: Thousand Baht)

	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investment				
Debt instruments - Investment				
in units of fixed income open-end funds	-	101,500	-	101,500
Available-for-sale investments				
Equity instruments	59	-	-	59
Investment properties	-	-	69,600	69,600
Land	-	-	185,036	185,036

During the current period, there were no transfers within the fair value hierarchy.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 12 May 2020.

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