

Miss Grand International Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2024

1. General information

1.1 Corporate information

Miss Grand International Company Limited (“the Company”) is a limited company under Thai laws and registered the transformation to a public company under the Public Limited Companies Act on 15 June 2022 and domiciled in Thailand. The Company is principally engaged in the wholesale and retail for beauty product, cosmetics product, skincare product, food dietary supplement, and food products under Company’s branding name. Moreover, the Company is beauty pageant organiser for the stage “Miss Grand Thailand” and “Miss Grand International” and also artist management agency. The registered office of the Company is at 1213/414 Lat Phrao 94 (Panjarnit), Lat Phrao Rd., Phlapphla, Wang Thong Lang, Bangkok. There are two branches located at Bangkok.

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 financial statements.

1.3 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, 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: Million Baht)

	For the three-month periods ended		Transfer Pricing Policy
	31 March		
	<u>2024</u>	<u>2023</u>	
<u>Transactions with management and directors</u>			
Rental expense	0.1	0.1	Contract price
<u>Transactions with joint venture</u>			
Purchase of goods	1.6	=	Agreed prices
Service income	0.2	=	Contract price

The outstanding balances of the accounts as at 31 March 2024 and 31 December 2023 between the Company and related person/party are as follows:

(Unit: Thousand Baht)

	31 March	31 December
	<u>2024</u>	<u>2023</u>
(Audited)		
<u>Deposit - related person</u>		
Management and directors	109	109
<u>Trade payables - joint venture (Note 9)</u>		
Joint venture	842	509
<u>Deferred revenue - joint venture</u>		
Joint venture	753	-

Directors and management's benefits

During the three-month periods ended 31 March 2024 and 2023, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	2,633	2,410
Post-employment benefits	186	173
Total	<u>2,819</u>	<u>2,583</u>

3. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Cash	60	60
Bank deposits	40,326	397,588
Total	<u>40,386</u>	<u>397,648</u>

As at 31 March 2024, bank deposits in savings carried interests 0.50 - 0.75 percent per annum (31 December 2023: 0.50 - 1.25 percent per annum).

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	15,020	1,634
Past due		
Up to 3 months	752	10,810
Over 12 months	595	595
Total trade receivables - unrelated parties	16,367	13,039
Less: Allowance for expected credit losses	(601)	(606)
Total trade accounts receivable - unrelated parties - net	15,766	12,433
<u>Other receivables</u>		
Post date cheques	-	47
Advance payments	288	75
Accrued income	1,982	2,474
Others	3	69
Total other receivables	2,273	2,665
Total trade and other receivables - net	18,039	15,098

5. Other current financial assets

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
<u>Financial assets at fair value through profit and loss</u>		
Mutual fund	332,184	-
Others	592	467
Total other current financial assets	332,776	467

Financial assets were measured at fair value with hierarchy level 2 and there were no transfers within the fair value hierarchy during the current period.

6. Investment in joint venture

6.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

Joint venture	Nature of business	Paid-up capital	Shareholding percentage		(Unit: Thousand Baht)			
			31 March 2024 (Percent)	31 December 2023 (Percent)	Financial statements in which the equity method is applied		Separate financial statements	
					Carrying amount based on equity method		Carrying amount based on cost method	
					31 March 2024 (Audited)	31 December 2023 (Audited)	31 March 2024	31 December 2023 (Audited)
KMGI Company Limited	Production and distribution of cosmetic and consumer products	10,000	50	50	3,847	4,811	5,000	5,000
Total investment in joint venture					3,847	4,811	5,000	5,000

On 8 February 2023, the Company entered into a joint investment agreement to establish KMGI Company Limited, which is engaged the production and distribution of cosmetic and consumer products both domestically and overseas. This company has a registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, which have been fully paid.

On 22 June 2023, KMGI Company Limited completed issuance of additional ordinary shares of Baht 10 million in accordance with the agreement. The registered capital subsequent to this issuance totals to Baht 10 million, comprising 1 million ordinary shares of Baht 10 each, which have been fully paid. The Company had a 50 percent interest in this company.

6.2 Share of comprehensive income

During the periods, the Company recognised its share of loss from investment in joint venture in financial statements in which the equity method is applied as follows:

(Unit: Thousand Baht)

Joint venture	Financial statements in which the equity method is applied	
	Share of loss from investment in joint venture for the three-month periods ended 31 March	
	<u>2024</u>	<u>2023</u>
KMGI Company Limited	(964)	(18)

7. Property, plant and equipment

Movements of property, plant and equipment for the three-month period ended 31 March 2024 are summaries below:

(Unit: Thousand Baht)

Net book value as at 1 January 2024	145,865
Acquisition during the period - at cost	5,426
Depreciation for the period	(774)
Net book value as at 31 March 2024	<u>150,517</u>

8. Intangible assets

Movements of intangible assets for the three-month period ended 31 March 2024 are summaries below:

(Unit: Thousand Baht)

Net book value as at 1 January 2024	7,117
Acquisition during the period - at cost	4,026
Amortisation for the period	(325)
Net book value as at 31 March 2024	<u>10,818</u>

9. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Trade payables - related parties	842	11,032
Trade payables - unrelated parties	10,589	509
Other payables - unrelated parties	3,072	8,815
Accrued beauty pageant organise expenses	4,088	5,129
Accrued expenses	9,321	11,487
Total trade and other payables	<u>27,912</u>	<u>36,972</u>

10. Share capital

On 13 July 2023, the Extraordinary General Meeting of Shareholder No.1/2023 of the Company passed a resolution to approve the allocation of the 60,000,000 new ordinary shares of the Company with a par value of Baht 0.50 each prescribed in the prospectus as follows:

- a) Not more than 9 million ordinary shares are to be offered to the Company's patronages at the offer price of persons at the underwriter's discretion mentioned in c).
- b) Not more than 6 million ordinary shares are to be offered to the Company's employees at the offer price of persons at the underwriter's discretion mentioned in c).
- c) Not less than 45 million ordinary shares are to be offered to persons at the underwriter's discretion.

During 4, 6 and 7 December 2023, the Company offered 60,000,000 ordinary shares with a par value of Baht 0.50 each, at a price of Baht 4.95 per share to the initial public offering, amounting to Baht 297 million. Subsequently on 8 December 2023, the Company received full payment of the additional capital and registered the increase in its issued and paid-up share capital from Baht 75 million (150,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 105 million (210,000,000 ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce. The Stock Exchange of Thailand (SET) approved the 210,000,000 ordinary shares with a par value of Baht 0.50 each of the Company as listed securities, with trading permitted on 14 December 2023.

The Company incurred transaction costs amounting Baht 9 million (net of income tax of Baht 2 million), and these expenses were recorded as a deduction against share premium.

11. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2024</u>	<u>2023</u>
Current income tax:		
Current income tax charge	5,551	2,717
Deferred tax:		
Relating to origination and reversal of temporary differences	58	(764)
Income tax expenses reported in the comprehensive income	<u>5,609</u>	<u>1,953</u>

12. Earnings per share

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

13. Segment information

The Company is organised into business units based on their products and services. During the current period, the Company has not changed the organisation of their reportable segments from the last annual financial statements.

The following table presents the financial information for the three-month periods ended 31 March 2024 and 2023 of the Company by segment.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March											
	Consumption products		Consumer products		Entertainment business		Beauty pageant organise		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues												
Revenues from external customers	55,032	19,550	37,438	18,998	51,040	39,724	-	-	7,039	4,185	150,549	82,457
Total revenues	<u>55,032</u>	<u>19,550</u>	<u>37,438</u>	<u>18,998</u>	<u>51,040</u>	<u>39,724</u>	<u>-</u>	<u>-</u>	<u>7,039</u>	<u>4,185</u>	<u>150,549</u>	<u>82,457</u>
Operating result												
Segment gross profit	27,320	8,851	15,974	9,762	26,440	15,364	-	-	(2,613)	(1,598)	67,121	32,399
Other income											469	573
Selling and distribution expenses											(25,789)	(9,295)
Administrative expenses											(14,908)	(14,141)
Share of loss from investment in joint venture											(964)	(18)
Financial income											882	100
Financial cost											(3)	(7)
Profit before income tax expenses											26,808	9,611
Income tax expenses											(5,609)	(1,953)
Profit for the period											<u>21,199</u>	<u>7,658</u>

14. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
2023			
Final dividend of 2022	Annual General Meeting of the shareholders' meeting on 29 March 2023	15	0.10
Total dividends for 2023		<u>15</u>	<u>0.10</u>

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 31 March 2024, the Company had capital commitments of Baht 33.4 million relating to the improvement of office building, installation of computer software and production of series (31 December 2023: Baht 1.4 million).

15.2 Lease and service commitments

The Company has entered into several leases of low-value assets, short-term lease and services agreements which are non-cancellable. The terms of the contracts are generally between 1 year and 5 years.

Future minimum lease payments under these non-cancellable contracts were as follows:

	(Unit: Million Baht)	
	31 March 2024	31 December 2023
Payable within:		
Within 1 year	19.5	5.5
Over 1 year and up to 5 years	0.1	0.1

16. Litigations

16.1 On 1 May 2023, a local company has filed a lawsuit against the Company in the Thai Civil Court for a claim of damages for wrongful acts. The total claim amount was Baht 307 million. At present, the case is under hearing of evidence of the Civil Court. The management of the Company believes that the case defense being successful is high and it is unlikely that the Company will suffer from significant damages related to the lawsuit at this time. The Company therefore did not set up any provision in its accounts.

16.2 On 31 January 2023, a local company has filed a lawsuit against the Company in the Thai Civil Court for a claim of damages for breach agreement. The total claim amount was Baht 43 million. The Civil Court dismissed the case on 15 March 2024. The Company therefore did not set up any provision in its accounts.

16.3 On 20 April 2023, an individual has filed a lawsuit against the Company and the Company's director in the Thai Civil Court for a claim of damages for wrongful acts and defamation. The total claim amount was Baht 50 million. The Civil Court dismissed the case on 21 March 2024. The Company therefore did not set up any provision in its accounts.

On 23 June 2023, one of the Company's directors provided a letter certifying responsibility for damages of three cases above on behalf of the Company.

17. Events after the reporting period

17.1 On 1 April 2024, the Company invested in Sabuy Technology Public Company Limited, a company engaged in online top-up machines, Fintech business and providing products and channels for accessing various touchpoints. The investment involved the acquisition of 30 million ordinary shares of Baht 4.50 each, totaling Baht 135 million, which has been fully paid. As a result, the Company had a 1.70 percent interest in this company.

(Unaudited but reviewed)

17.2 On 26 April 2024, the Annual General Meeting of the Company's shareholders approved to pay a final dividend for 2023 of Baht 0.15 per share, totaling Baht 31.5 million. Thus, including the interim dividend of Baht 0.20 per share, the total dividend payment for 2023 amounted to Baht 0.35 per share. The dividend will be paid to the shareholders on 20 May 2024.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 May 2024.



นายรัชพล จันทระทิม



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