

KUMWELL CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

KUMWELL CORPORATION PUBLIC COMPANY LIMITED (“The Company”) was registered as juristic person in Thailand on May 7, 1999. The head office is located at 100/3 Thesabansongkrow Rd. Lardyao, Jatujak, Bangkok.

The Company has place of business (Factory) located at 26/2 Moo 10 Banglen, Bangyai, Nonthaburi.

The Company has been transformed its status Company Limited to be Public Company Limited under Public Company Limited Law by registering to transform its status and changing former name “KUMWELL CORPORATION CO., LTD.” to be KUMWELL CORPORATION PUBLIC COMPANY LIMITED at Department of Business Development Ministry of Commerce on March 14, 2019.

The Company has engaged in production and distribution in electrical equipment, graphite mould, metal powder and ground wire.

During the year, the Major shareholder is Mr.Boonsak Kiatjaroonlert (Percentage of shareholding 54.39)

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS): guideline promulgated by the Federation of Accounting Profession (“FAB”) and the Regulation of the stock of exchange in Thailand (SET) dated on January 22, 2001, regarding the preparation and submission of financial statements and reports of financial position and financial performance of the listed company B.E. 2544. The format of financial statement presentation is not significantly different from the Notification of the Department of Business Development dated on December 26, 2019 regarding “The Brief Particulars in the financial statements (No.3)” B.E. 2562.

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

2.2 Transfer of all business of a subsidiary to the Company

According to ordinary shareholder meeting no.1/2020, held on August 4, 2020, the Company passed resolution to approve transferring all business of Kumwell Co., Ltd. (Subsidiary). On September 30, 2020, the Company entered into transferring business agreement. Such business transfer is transferring assets including employees and all existing liabilities obligation as at September 30, 2020. Such subsidiary has ceased all business operation and already registered to liquidate it business at Ministry of Commerce on

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

2. PREPARATION OF FINANCIAL STATEMENTS BASIS (CONT.)

2.2 Transfer of all business of a subsidiary to the Company (Cont.)

September 30, 2020. As resolution of transferring business, the Company send letter to Revenue Department in order to request for tax benefit in business transfer and already received letter replied by obtaining such tax benefit.

2.3 Basis of consolidated financial statements preparation

A) The consolidated financial statements consists of financial statements of KUMWELL CORPORATION PUBLIC COMPANY LIMITED (which is called “The Company”) as parent company and financial statements of subsidiaries in which KUMWELL CORPORATION PUBLIC COMPANY LIMITED holds share or has significant control power in subsidiaries (which are called “The Group”) as follows.

| Subsidiaries | Incorporated In | Percentage of investment (%) | | Type of business |
|---|--------------------|------------------------------|------|--|
| | | 2020 | 2019 | |
| KUMWELL CO., LTD (Registered for dissolution on September 30, 2020) | Thailand | 100 | 100 | Graphite mould production and distribution |
| KUMWELL-NOWCAST CO., LTD. | Thailand | 100 | 100 | Antenna rental for providing lighting information |

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

B) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

C) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

D) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

E) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

F) Non-controlling interest is amount of profit or loss and net assets of subsidiary which is not belong to the Company and is separately presented in consolidated profit or loss and shareholder’s equity in consolidated statement of financial position.

2.4 The separate financial statements present investments in subsidiaries and associates, joint venture under the cost method, (If any).

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

3. NEW FINANCIAL REPORTING STANDARDS

A. Financial reporting standards that become effective in the current year

During the year, the Group have adopted a number of revised (revised 2019) and new financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 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 Group financial statements. However, the new standard involves changes to key principles, which are summarized 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:

Thai Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Accounting Standards

TFRS 32 Financial Instruments: Presentation

Thai Financial Reporting Interpretations Committee:

TFRIC 16 Hedges of a Net Investments 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 amortized 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 Group's financial statements is as follows.

- Classification and measurement of investments in available-for-sale equity securities - The Group's available-for-sale investments in unit trust in equity securities in balanced open ended fund are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through other comprehensive income. Such classification has no effect on profit and loss.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

3. NEW FINANCIAL REPORTING STANDARDS (CONT.)

A. Financial reporting standards that become effective in the current year (Cont.)

- Recognition of credit losses - The Group is to recognize an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Group apply simplified approach to consider impairment of trade receivables. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020, therefore it was recorded as expenses in statement of income in full amount.

Thai Financial Reporting Standards No. 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 recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

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

The cumulative effect of the change is described in Note 5.

B. Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. 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 April 22, 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 January 1, 2020 and December 31, 2020.

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

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

3. NEW FINANCIAL REPORTING STANDARDS (CONT.)

C. Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2021

The federation of Accounting Professions issued a number of revised financial reporting standards and interpretation, which are effective for fiscal years beginning on or after January 1, 2021. 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 that included in amendments to reference to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material and Reform referenced interest rate.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Revenues and expenses recognition

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data and revenue is recognised in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Services

Revenue from service is recognised when services is completely rendered.

Other revenues and other expenses

Other revenues and other expenses are recognized on an accrual basis.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, and highly liquid short-term investments maturity in three months. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

4.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the FIFO cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

4.5 Investment in subsidiaries

Subsidiary company means the Company that the Company has direct and indirect voting right more than a half of total voting right or power to control financial policy and operation of subsidiary. Such subsidiary is included in consolidated financial statements preparation commencing on the date that the parent company has control power until the date that disposal of subsidiary is made. Transactions and outstanding balance between the Group including unrealized gain or loss are eliminated in consolidated financial statements. Accounting policy of subsidiary will be changed for using same accounting policy of the Group for preparing consolidated financial statements. Investment in subsidiary is presented in separate financial statement at cost less provision for impairment (If any.)

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.6 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.
(If any)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|---------------------------|---------------|
| Building and Improvements | 20 - 30 years |
| Utility system | 10 years |
| Machinery and equipment | 5 - 10 years |
| Office furniture | 3 - 5 years |
| Vehicles | 5 years |

No depreciation is provided on freehold land, major spare parts and assets under construction.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.6 Property, plant and equipment (Cont.)

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.7 Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. (If any)

Subsequent expenditure

Subsequent expenditure is capitalized as assets when it generates future economic benefit in the future embodied in the specific asset to which it relates. Other expenses are recognized in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

| | |
|-------------------|-------------|
| Software licenses | 3 - 5 Years |
| Computer software | 3 Years |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.8 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the statement of income.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.8 Impairment of non-financial assets (Cont.)

In the assessment of asset impairment (except for goodwill) if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.9.1 The Group as a lessee

Accounting policies adopted since January 1, 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | |
|-------------------|--------------|
| Land and Building | 1 - 15 years |
| Equipment | 1 - 5 years |
| Motor vehicles | 1 - 5 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.9 Leases (Cont.)

4.9.1 The Group as a lessee (Cont.)

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group'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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before January 1, 2020

Leases of land, building and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the net present value of the lease payments. Lease payments are apportioned between the outstanding liability and the finance charge so as to produce a constant periodic rate of interest on the remaining balance of the liability. The outstanding rental obligations, net of finance charges, are included in long-term liabilities, while the interest element is recorded in profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of such asset.

Leases of assets, which a significant portion of the risks and rewards of ownership are not transferred to the lessee, are classified as operating leases. Payments made under operating leases are recorded in profit or loss on a straight-line basis over the lease period. For lease assets which the Group has not occupied total space of such assets. Payment made under operating leases are recorded in profit or loss systematically amortized which is referenced by the amount of occupied space in each year.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.9 Leases (Cont.)

4.9.1 The Group as a lessee (Cont.)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty, such as surcharge to pay to the lessor, is recognized as an expense in the period in which termination takes place.

4.9.2 The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.10 Non - current provisions for employee benefit

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method. Calculation results may generate asset of the Group which is recognized by using present value of economic benefit in form of return from the project in the future less contribution to the project in the future. In calculation present value of economic benefit, minimum fund requirement for projects of the Group must be considered.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.10 Non - current provisions for employee benefit (Cont.)

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

4.12.1 Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.12 Income tax (Cont.)

4.12.2 Deferred tax

- 4.12.2.1) Deferred income tax is calculated based on temporary differences between book value of assets and liabilities as book in the Statements of financial position compare with these taxes base of assets and liabilities. The Company will be evaluate the value of deferred tax assets and liabilities by tax rate for each period that the Company has expected to be get benefit from deferred tax assets or in each period to expected to paid for deferred tax liabilities.
- 4.12.2.2) The Group recognizes deferred tax liabilities for taxable temporary differences and recognizes deferred tax assets by compare with the deductible temporary differences and tax losses carried forward. The Company recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.
- 4.12.2.3) At each Statements of financial position date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized or change in tax rate.
- 4.12.2.4) The Group recognizes deferred tax expenses to revenue or expense in the statements of income, except when the temporary differences relate to items under the shareholders' equity, in which case the deferred tax is directly recorded in the shareholders' equity.

4.13 Related parties

Enterprises and individuals that directly or indirectly control, or are controlled by, or are under common control with, the Group.

In addition, it includes associates and individuals that has significant influence over the Group, key management personnel, director, or officers that has power to plan and control the operations of the Group.

4.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.15 Financial instruments

Accounting policies adopted since January 1, 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTOCI

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of income.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.15 Financial instruments (Cont.)

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before January 1, 2020

Trade and other current receivables

Trade and other current receivables are stated at the price as expected value collectible amount / invoice amount less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.16 Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Adjusted by treasury stock.

4.17 Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized 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 that the entity can access at the measurement date.
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. observable prices).
- Level 3 inputs are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.18 Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

- Accounting policies adopted since January 1, 2020

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group’s historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for doubtful accounts

- Accounting policies adopted before January 1, 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for devaluation on inventories

In determining the allowance for devaluation on inventories, management has used judgment to estimate losses that are expected to arise from such inventories. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to make the sale, allowance for obsolete goods estimated by considering inventories aging.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to such assets.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.18 Significant accounting judgements and estimates (Cont.)

Other intangible assets

The initial recognition and measurement of other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized by considering the amounts of expected future taxable profit of each period.

Leases

- Accounting policies adopted since January 1, 2020

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Accounting policies adopted before January 1, 2020

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 3 to the consolidated financial statements, during the current period, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognized as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from change in accounting policy due to the adoption of this standard are presented as follows:

(Unit: Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---|--|-----------------|
| | December 31, 2019 | Increase (decrease) from impacts of TFRS 9 | Increase (decrease) from impacts of TFRS 16 | January 1, 2020 |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Other non-current financial assets | - | 106,605,887.76 | - | 106,605,887.76 |
| Available for sale investments | 106,605,887.76 | (106,605,887.76) | - | - |
| Property, buildings and equipment | 165,286,864.39 | - | (2,444,835.51) | 162,842,028.88 |
| Right-of-use assets | - | - | 23,187,151.24 | 23,187,151.24 |
| Deferred tax assets | 7,373,410.11 | - | 391,366.42 | 7,764,776.53 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | 742,455.43 | - | 3,534,085.49 | 4,276,540.92 |
| Non-current liabilities | | | | |
| Lease liabilities | 1,137,515.27 | - | 18,939,136.43 | 20,076,651.70 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 175,813,003.76 | - | (1,339,539.77) | 174,473,463.99 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD (CONT.)

(Unit: Baht)

| | Separate financial statements | | | January 1, 2020 |
|---|-------------------------------|--|---|-----------------|
| | December 31, 2019 | Increase (decrease) from impacts of TFRS 9 | Increase (decrease) from impacts of TFRS 16 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Other non-current financial assets | - | 106,605,887.76 | - | 106,605,887.76 |
| Available for sale investments | 106,605,887.76 | (106,605,887.76) | - | - |
| Property, buildings and equipment | 161,813,817.11 | - | (2,444,835.51) | 159,368,981.60 |
| Right-of-use assets | - | - | 30,945,985.35 | 30,945,985.35 |
| Deferred tax assets | 7,165,328.18 | - | 383,554.72 | 7,548,882.90 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | 742,455.43 | - | 5,264,413.23 | 6,006,868.66 |
| Non-current liabilities | | | | |
| Lease liabilities | 1,137,515.27 | - | 25,154,510.23 | 26,292,025.50 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 181,037,612.36 | - | (1,534,218.90) | 179,503,393.46 |

5.1 Financial instruments

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

(Unit: Baht)

| | Consolidated financial statements | | | Total |
|---|---|--|-----------------------|-----------------------|
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 | | |
| | | Fair value through other comprehensive | | |
| | | income | Amortised cost | |
| Financial assets as at January 1, 2020 | | | | |
| Cash and cash equivalents | 36,836,543.01 | - | 36,836,543.01 | 36,836,543.01 |
| Trade and other current receivables | 97,266,342.62 | - | 97,266,342.62 | 97,266,342.62 |
| Short-term loans to related parties | - | - | - | - |
| Restricted bank deposit | 1,012,773.17 | - | 1,012,773.17 | 1,012,773.17 |
| Other non-current financial assets | 106,605,887.76 | 106,605,887.76 | - | 106,605,887.76 |
| Total | 241,721,546.56 | 106,605,887.76 | 135,115,658.80 | 241,721,546.56 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD (CONT.)

5.1 Financial instruments (Cont.)

(Unit: Baht)

| | Separate financial statements | | | |
|---|--|--|-----------------------|-----------------------|
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 | | |
| | | Fair value through other comprehensive | | Total |
| | income | Amortised cost | | |
| Financial assets as at January 1, 2020 | | | | |
| Cash and cash equivalents | 32,088,636.80 | - | 32,088,636.80 | 32,088,636.80 |
| Trade and other current receivables | 95,232,486.18 | - | 95,232,486.18 | 95,232,486.18 |
| Short-term loans to related parties | 8,000,000.00 | - | 8,000,000.00 | 8,000,000.00 |
| Restricted bank deposit | 1,012,773.17 | - | 1,012,773.17 | 1,012,773.17 |
| Other non-current financial assets | 106,605,887.76 | 106,605,887.76 | - | 106,605,887.76 |
| Total | 242,939,783.91 | 106,605,887.76 | 136,333,896.15 | 242,939,783.91 |

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

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD (CONT.)

5.2 Leases

Upon initial application of TFRS 16 the Group recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Group recognized 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 are presented as follows:

| | (Unit : Baht) | |
|--|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Operating lease commitments as at December 31, 2019 | 20,312,000.00 | 29,050,000.00 |
| Adjustment: | | |
| Short-term leases and leases of low-value assets | (262,000.00) | - |
| Option to extend lease term | 7,740,000.00 | 7,740,000.00 |
| Deferred interest expenses | (5,316,778.08) | (6,371,076.54) |
| Increase in lease liabilities due to TFRS 16 adoption | 22,473,221.92 | 30,418,923.46 |
| Liabilities under finance lease agreements as at December 31, 2019 | 1,879,970.70 | 1,879,970.70 |
| Lease liabilities as at January 1, 2020 | <u>24,353,192.62</u> | <u>32,298,894.16</u> |
| Comprise of: | | |
| Current lease liabilities | 4,276,540.92 | 6,006,868.66 |
| Non-current lease liabilities | 20,076,651.70 | 26,292,025.50 |
| | <u>24,353,192.62</u> | <u>32,298,894.16</u> |

6. CASH AND CASH EQUIVALENTS

| | (Unit : Baht) | | | |
|------------------------------------|-----------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash | 205,000.00 | 235,000.00 | 200,000.00 | 200,000.00 |
| Current accounts | 21,729,718.62 | 34,729,751.91 | 21,642,121.50 | 30,018,541.67 |
| Saving deposits | 5,344,745.08 | 1,841,379.70 | 5,344,745.06 | 1,839,683.73 |
| Fixed-deposit maturity in 3 months | - | 30,411.40 | - | 30,411.40 |
| Total | <u>27,279,463.70</u> | <u>36,836,543.01</u> | <u>27,186,866.56</u> | <u>32,088,636.80</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

7. TRADE AND OTHER CURRENT RECEIVABLES

| | (Unit : Baht) | | | |
|---|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade accounts receivable | | | | |
| Related parties | - | - | - | 262,100.03 |
| Other parties | 95,697,009.71 | 90,381,231.19 | 95,697,009.71 | 90,381,231.19 |
| Less allowance for expected credit loss incurred(2019: Less allowance for doubtful accounts) | (4,433,191.34) | (1,757,212.39) | (4,433,191.34) | (1,757,212.39) |
| Total trade accounts receivable | 91,263,818.37 | 88,624,018.80 | 91,263,818.37 | 88,886,118.83 |
| Other current receivables | | | | |
| Related parties | 1,491,870.00 | - | 1,491,870.00 | - |
| Prepaid expenses | 5,411,781.49 | 7,285,090.17 | 5,411,781.49 | 3,711,979.85 |
| Prepaid corporate income tax | 2,030,845.41 | 2,255,176.65 | 2,030,845.41 | 2,030,845.41 |
| Others | 1,464,070.20 | 903,649.35 | 1,262,571.23 | 760,484.89 |
| Less allowance for expected credit loss incurred (2019: Less allowance for doubtful accounts) | (156,942.80) | (1,801,592.35) | (156,942.80) | (156,942.80) |
| Total other current receivables | 10,241,624.30 | 8,642,323.82 | 10,040,125.33 | 6,346,367.35 |
| Total trade and other current receivables | 101,505,442.67 | 97,266,342.62 | 101,303,943.70 | 95,232,486.18 |

Aging analyses for trade accounts receivable were as follows:

| | (Unit : Baht) | | | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Within credit terms | 40,826,034.25 | 36,831,062.94 | 40,826,034.25 | 37,020,275.52 |
| Overdue: | | | | |
| - Less than 3 months | 45,118,040.13 | 42,488,413.96 | 45,118,040.13 | 42,561,301.41 |
| - 3-6 months | 3,467,534.56 | 9,274,541.90 | 3,467,534.56 | 9,274,541.90 |
| - 6-12 months | 2,864,631.79 | 79,060.08 | 2,864,631.79 | 79,060.08 |
| - Over 12 months | 3,420,768.98 | 1,708,152.31 | 3,420,768.98 | 1,708,152.31 |
| | 95,697,009.71 | 90,381,231.19 | 95,697,009.71 | 90,643,331.22 |
| Less allowance for expected credit loss incurred(2019: Less allowance for doubtful accounts) | (4,433,191.34) | (1,757,212.39) | (4,433,191.34) | (1,757,212.39) |
| Total trade accounts receivables | 91,263,818.37 | 88,624,018.80 | 91,263,818.37 | 88,886,118.83 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

8. INVENTORIES

| | (Unit : Baht) | | | |
|--|-----------------------------------|------------------------------|-------------------------------|------------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Raw material | 59,733,185.81 | 74,055,552.18 | 59,733,185.81 | 68,541,640.35 |
| Finished goods | 257,063.69 | - | 257,063.69 | - |
| Semi product | 89,537,676.47 | 72,500,348.28 | 89,806,186.38 | 73,368,878.62 |
| Supplies | 36,217,857.90 | 33,042,227.33 | 36,217,857.90 | 31,706,144.55 |
| Works under installation-Project | 1,364,440.90 | 997,968.59 | 1,364,440.90 | 997,968.59 |
| | <u>187,110,224.77</u> | <u>180,596,096.38</u> | <u>187,378,734.68</u> | <u>174,614,632.11</u> |
| Less Provision for devaluation of inventories | (17,418,247.24) | (24,320,567.11) | (17,418,247.24) | (23,394,232.45) |
| Total | <u>169,691,977.53</u> | <u>156,275,529.27</u> | <u>169,960,487.44</u> | <u>151,220,399.66</u> |

9. OTHER CURRENT FINANCIAL ASSETS

| | (Unit : Baht) | |
|--------------------------------|--|-----------------|
| | Consolidated and Separate financial statements | |
| | 2020 | 2019 |
| Other current financial assets | | |
| - Government bond | 19,968,699.52 | - |
| Total | <u>19,968,699.52</u> | <u>-</u> |

Government bond is measured at amortized cost bearing interest at effective rate 0.48% per annum maturity date at April 28, 2021.

10. OTHER NON-CURRENT FINANCIAL ASSETS / AVAILABLE FOR SALE INVESTMENTS

| | (Unit : Baht) | |
|---------------------------------------|--|-----------------------------------|
| | Consolidated and Separate financial statements | |
| | 2020 | 2019 |
| | Other non-current financial assets | Available for sale investments |
| - Unit trust opened – end fund K-CASH | 95,511,075.67 | 106,605,887.76 |
| Total | <u>95,511,075.67</u> | <u>106,605,887.76</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

10. OTHER NON-CURRENT FINANCIAL ASSETS / AVAILABLE FOR SALE INVESTMENTS (CONT.)

The analysis of the other non-current financial assets / Available for sale investments as at FVTOCI. is as follows:

| | (Unit : Baht) | | | |
|---|--|----------------------|-----------------------|-----------------------|
| | Consolidated and Separate financial statements | | | |
| | 2020 | | 2019 | |
| | Cost | Fair value | Cost | Fair value |
| Other non-current financial assets / Available for sale investments | | | | |
| Unit trust | 95,097,122.69 | 95,097,122.69 | 106,000,000.00 | 106,000,000.00 |
| <u>Add Fair value adjustment</u> | - | 413,952.98 | - | 605,887.76 |
| Total | 95,097,122.69 | 95,511,075.67 | 106,000,000.00 | 106,605,887.76 |

Movement of other non-current financial assets securities are as follows:

| | (Unit : Baht) |
|---|--------------------------------------|
| | Consolidated and |
| | <u>Separate financial statements</u> |
| Net book value As at January 1, 2020 | 106,605,887.76 |
| Purchasing unit trust during the year | 81,045,656.19 |
| Sales unit trust during the year | (93,045,656.19) |
| Fair value adjustment | 905,187.91 |
| Net book value As at December 31, 2020 | 95,511,075.67 |

Investments in unit trust in debt securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

11. INVESTMENT IN SUBSIDIARIES

A. Detail of investment in subsidiaries

(Unit : Baht)

| | Paid-up share capital (Unit : Baht) | | Percentage of shareholding (%) | | Separate financial statement | | | |
|------------------------------------|---|------------|--------------------------------------|------|------------------------------|----------------------|-----------------|------|
| | 2020 | 2019 | 2020 | 2019 | Cost method | | Dividend income | |
| | | | | | 2020 | 2019 | 2020 | 2019 |
| KUMWELL CO., LTD. | - | 18,194,000 | - | 100 | - | 371,708,430.90 | - | - |
| KUMWELL-NOWCAST CO., LTD. | 5,000,000 | 5,000,000 | 100 | 100 | 102,148,413.90 | 102,148,413.90 | - | - |
| | | | | | 102,148,413.90 | 473,856,844.80 | - | - |
| Less Difference from restructuring | | | | | (102,148,413.90) | (455,663,044.80) | - | - |
| Total | | | | | - | 18,193,800.00 | - | - |

In 2018, the Company made shareholder restructuring by issuing common share having fair value Baht 473.86 million for swapping common share of subsidiary belonging to former shareholder having total fair value Baht 18.19 million resulting in difference between fair value of common share of the Company and fair value of common share of subsidiary Baht 455.66 million presented as “Difference from restructuring” in shareholder ‘s equity in the separate statement of financial position. In 2020, the company obtained business transfer from a subsidiary and reversed, therefore, “Difference from restructuring” Baht 353.51 million with investment in subsidiary.

As stated in note 2, during of this year, the Company acquired transfer all business of Kumwell Co., Ltd which was already registered to liquidate. At present, it is in liquidation process and the Company received partial of fund returned total amount of Baht 10.16 million by not waiting for completed liquidation process

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

11. INVESTMENT IN SUBSIDIARIES (CONT.)

A. Detail of investment in subsidiaries (Cont.)

On September 30, 2020, the company acquired business transfer from Kumwell Co., Ltd. at net book value of assets and liabilities as following detail

| | (Unit: Baht) |
|--|------------------------|
| | Total |
| Assets | |
| Cash and cash equivalents | 10,155,842.19 |
| Other Account Receivable | 215.00 |
| Inventories | 6,414,021.49 |
| Plant and equipment | 880,868.87 |
| Other intangible assets | 3,090.06 |
| Other non-current assets | 3,800.00 |
| Total assets | 17,457,837.61 |
| Liabilities | |
| Trade and other current payables | (460,519.10) |
| Non - current provisions for employee benefit | (128,273.22) |
| Total liabilities | (588,792.32) |
| Assets - net | 16,869,045.29 |
| Cash paid for purchasing investment in subsidiary | (18,193,800.00) |
| Loss from obtaining business transfer (Included in administrative expenses) | (1,324,754.71) |

B. Significant change of investment in subsidiaries.

KUMWELL CO., LTD.

Transfer of all business of a subsidiary to the Company

According to ordinary shareholder meeting no.1 / 2020, held on August 4, 2020, the Company passed resolution to approve transferring all business of Kumwell Co., Ltd. (Subsidiary). On September 30, 2020, the Company entered into transferring business agreement. Such business transfer is transferring assets including employees and all existing liabilities obligation as at September 30, 2020. Such subsidiary has ceased all business operation and already registered to liquidate it business at Ministry of Commerce on September 30, 2020. As resolution of transferring business, the Company send letter to Revenue Department in order to request for tax benefit in business transfer and already received letter replied by obtaining such tax benefit.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

12. PROPERTY, PLANT AND EQUIPMENT

Changing of property, plant and equipment for the year ended December 31, 2020 are presented as follows:

(Unit : Baht)

Consolidated financial statements

| | Land and land improvements | Building and Improvements | Utility system | Machinery and equipment | Office furniture | Vehicles | Machinery and equipment under installation | Building under Construction | Total |
|---|----------------------------------|------------------------------|----------------------|----------------------------|----------------------|---------------------|--|--------------------------------|-----------------------|
| <i>Assets – Cost</i> | | | | | | | | | |
| As at January 1, 2019 | 41,568,488.00 | 46,616,222.38 | 7,791,857.35 | 65,654,784.18 | 11,792,932.62 | 9,526,084.43 | 752,084.89 | 22,600,000.00 | 206,302,453.85 |
| Acquisition | - | - | 32,600.00 | 3,314,467.84 | 2,777,808.55 | 3,311,648.60 | 2,635,148.03 | 27,982,994.01 | 40,054,667.03 |
| Disposal | - | - | - | (1,176,100.96) | - | (774,766.36) | - | - | (1,950,867.32) |
| Inter-transaction transfer | - | 43,952,769.97 | 6,630,224.04 | 2,336,010.99 | - | - | (2,336,010.99) | (50,582,994.01) | - |
| Write off | - | - | - | (1,105,362.03) | (632,474.45) | - | - | - | (1,737,836.48) |
| As at December 31, 2019 | | | | | | | | | |
| and January 1, 2020 | 41,568,488.00 | 90,568,992.35 | 14,454,681.39 | 69,023,800.02 | 13,938,266.72 | 12,062,966.67 | 1,051,221.93 | - | 242,668,417.08 |
| Transfer to right-of-use assets (Note 5) | - | - | - | - | - | (3,876,773.84) | - | - | (3,876,773.84) |
| Acquisition | 2,205,000.00 | 636,876.00 | 12,101.60 | 3,913,631.22 | 1,453,771.29 | 30,000.00 | 1,117,527.59 | 12,944,157.43 | 22,313,065.13 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Transfer in (out) | - | 38,100.00 | 698,707.30 | 1,207,703.35 | - | - | (1,240,189.72) | (708,620.93) | (4,300.00) |
| Write off | - | (236,396.38) | - | (2,682,436.90) | (842,876.21) | (550,000.00) | (37,791.49) | (2,336.50) | (4,351,837.48) |
| As at December 31, 2020 | 43,773,488.00 | 91,007,571.97 | 15,165,490.29 | 71,462,697.69 | 14,549,161.80 | 7,666,192.83 | 890,768.31 | 12,233,200.00 | 256,748,570.89 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

12. PROPERTY, PLANT AND EQUIPMENT (CONT.)

(Unit : Baht)

Consolidated financial statements

| | Land and land improvements | Building and Improvements | Utility system | Machinery and equipment | Office furniture | Vehicles | Machinery and equipment under installation | Building under Construction | Total |
|---|----------------------------------|------------------------------|----------------|----------------------------|---------------------|----------------|--|--------------------------------|----------------|
| Accumulated depreciation | | | | | | | | | |
| As at January 1, 2019 | - | 9,250,542.55 | 1,260,906.12 | 41,407,890.69 | 7,573,972.15 | 7,251,030.01 | - | - | 66,744,341.52 |
| Depreciation for the year | - | 3,054,815.15 | 1,088,037.58 | 6,303,648.03 | 2,323,222.31 | 1,246,392.21 | - | - | 14,016,115.28 |
| Disposal | - | - | - | (1,027,991.93) | - | (774,765.36) | - | - | (1,802,757.29) |
| Write off | - | - | - | (978,465.72) | (597,681.10) | - | - | - | (1,576,146.82) |
| As at December 31, 2019 | | | | | | | | | |
| and January 1, 2020 | - | 12,305,357.70 | 2,348,943.70 | 45,705,081.07 | 9,299,513.36 | 7,722,656.86 | - | - | 77,381,552.69 |
| Transfer to right-of-use assets (Note 5) | - | - | - | - | - | (1,431,938.33) | - | - | (1,431,938.33) |
| Depreciation for the year | - | 3,815,233.40 | 1,493,206.09 | 6,412,376.51 | 2,224,951.18 | 569,787.99 | - | - | 14,515,555.17 |
| Write off | - | (85,700.34) | - | (2,248,275.31) | (840,251.47) | (549,999.00) | - | - | (3,724,226.12) |
| As at December 31, 2020 | - | 16,034,890.76 | 3,842,149.79 | 49,869,182.27 | 10,684,213.07 | 6,310,507.52 | - | - | 86,740,943.41 |
| Net book value | | | | | | | | | |
| As at December 31, 2019 | 41,568,488.00 | 78,263,634.65 | 12,105,737.69 | 23,318,718.95 | 4,638,753.36 | 4,340,309.81 | 1,051,221.93 | - | 165,286,864.39 |
| As at December 31, 2020 | 43,773,488.00 | 74,972,681.21 | 11,323,340.50 | 21,593,515.42 | 3,864,948.73 | 1,355,685.31 | 890,768.31 | 12,233,200.00 | 170,007,627.48 |

As at December 31, 2020 and 2019, the Company has assets fully depreciated but still used in operation and stated at cost amounting to Baht 38.96 million and Baht 34.90 million respectively.

As at December 31, 2020 and 2019, property and building and construction are mortgaged as collateral for loan from financial institution as stated in note 16 and 18 and letter of guarantee sales agreement as stated in note 29.1

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

12. PROPERTY, PLANT AND EQUIPMENT (CONT.)

(Unit : Baht)

| | Separate financial statements | | | | | | | | |
|--|----------------------------------|------------------------------|----------------|----------------------------|---------------------|----------------|--|--------------------------------|----------------|
| | Land and land improvements | Building and Improvements | Utility system | Machinery and equipment | Office furniture | Vehicles | Machinery and equipment under installation | Building under Construction | Total |
| <i>Assets – Cost</i> | | | | | | | | | |
| As at January 1, 2019 | 41,568,488.00 | 45,875,937.38 | 7,791,857.35 | 51,945,865.12 | 11,486,447.86 | 6,976,285.99 | - | 22,600,000.00 | 188,244,881.70 |
| Acquisition | - | - | 32,600.00 | 3,256,953.04 | 2,757,773.60 | 3,311,648.60 | 2,630,848.03 | 27,982,994.01 | 39,972,817.28 |
| Disposal | - | - | - | (1,176,100.96) | - | (774,766.36) | - | - | (1,950,867.32) |
| Inter-transaction transfer | - | 43,952,769.97 | 6,630,224.04 | 1,993,818.32 | - | - | (1,993,818.32) | (50,582,994.01) | - |
| Write off | - | - | - | (1,102,562.03) | (593,474.45) | - | - | - | (1,696,036.48) |
| As at December 31, 2019 and January 1, 2020 | 41,568,488.00 | 89,828,707.35 | 14,454,681.39 | 54,917,973.49 | 13,650,747.01 | 9,513,168.23 | 637,029.71 | - | 224,570,795.18 |
| Transfer to right-of-use assets (Note 5) | - | - | - | - | - | (3,876,773.84) | - | - | (3,876,773.84) |
| Acquisition | 2,205,000.00 | 636,876.00 | 12,101.60 | 3,911,801.22 | 1,430,093.29 | 30,000.00 | 1,117,527.59 | 12,944,157.43 | 22,287,557.13 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Increase from business transfer | - | 740,285.00 | - | 5,521,175.04 | 194,984.30 | 1,999,798.44 | - | - | 8,456,242.78 |
| Transfer in (out) | - | 38,100.00 | 698,707.30 | 1,207,703.35 | - | - | 1,235,889.72 | (708,620.93) | - |
| Write off | - | (236,396.38) | - | (1,570,145.79) | (807,450.98) | - | 37,791.49 | (2,336.50) | (2,654,121.14) |
| As at December 31, 2020 | 43,773,488.00 | 91,007,571.97 | 15,165,490.29 | 63,988,507.31 | 14,468,373.62 | 7,666,192.83 | 480,876.09 | 12,233,200.00 | 248,783,700.11 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

12. PROPERTY, PLANT AND EQUIPMENT (CONT.)

(Unit : Baht)

Separate financial statements

| | Land and land improvements | Building and Improvements | Utility system | Machinery and equipment | Office furniture | Vehicles | Machinery and equipment under installation | Building under Construction | Total |
|--|----------------------------------|------------------------------|----------------|----------------------------|---------------------|----------------|--|--------------------------------|----------------|
| Accumulated depreciation | | | | | | | | | |
| As at January 1, 2019 | - | 8,925,872.67 | 1,260,906.12 | 31,611,965.28 | 7,403,564.63 | 4,701,234.57 | - | - | 53,903,543.27 |
| Depreciation for the year | - | 3,017,842.32 | 1,088,037.58 | 4,591,067.08 | 2,263,919.72 | 1,246,392.21 | - | - | 12,207,258.91 |
| Disposal | - | - | - | (1,027,991.93) | - | (774,765.36) | - | - | (1,802,757.29) |
| Write off | - | - | - | (975,666.72) | (575,400.10) | - | - | - | (1,551,066.82) |
| As at December 31, 2019 and January 1, 2020 | - | 11,943,714.99 | 2,348,943.70 | 34,199,373.71 | 9,092,084.25 | 5,172,861.42 | - | - | 62,756,978.07 |
| Transfer to right-of-use assets (Note 5) | - | - | - | - | - | (1,431,938.33) | - | - | (1,431,938.33) |
| Depreciation for the year | - | 3,787,478.46 | 1,493,206.09 | 5,100,264.33 | 2,183,471.83 | 569,787.99 | - | - | 13,134,208.70 |
| Increase from business transfer | - | 389,397.65 | - | 5,015,869.24 | 170,310.58 | 1,999,796.44 | - | - | 7,575,373.91 |
| Write off | - | (85,700.34) | - | (1,158,480.37) | (804,827.24) | - | - | - | (2,049,007.95) |
| As at December 31, 2020 | - | 16,034,890.76 | 3,842,149.79 | 43,157,026.91 | 10,641,039.42 | 6,310,507.52 | - | - | 79,985,614.40 |
| Net book value | | | | | | | | | |
| As at December 31, 2019 | 41,568,488.00 | 77,884,992.36 | 12,105,737.69 | 20,718,599.78 | 4,558,662.76 | 4,340,306.81 | 637,029.71 | - | 161,813,817.11 |
| As at December 31, 2020 | 43,773,488.00 | 74,972,681.21 | 11,323,340.50 | 20,831,480.40 | 3,827,334.20 | 1,355,685.31 | 480,876.09 | 12,233,200.00 | 168,798,085.71 |

As at December 31, 2020 and 2019, the Company has assets fully depreciated but still used in operation and stated at cost amounting to Baht 36.51 million and Baht 29.65 million respectively.

As at December 31, 2020 and 2019, property and building and construction are mortgaged as collateral for loan from financial institution as stated in note 16 and 18 and letter of guarantee sales agreement as stated in note 29.1

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

13. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets/leasehold rights account during the 12-month period ended December 31, 2020 are summarized below.

(Unit : Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|---------------------|----------------------|
| | Land and Building | Vehicles | Total |
| Assets – Cost | | | |
| As at December 31, 2019 | - | - | - |
| Adjustments of right-of-use assets due to TFRS 16 adoption <i>(Note 5)</i> | 20,742,315.73 | - | 20,742,315.73 |
| Transfer from property, building and equipment <i>(Note 5)</i> | - | 3,876,773.84 | 3,876,773.84 |
| As at December 31, 2020 | 20,742,315.73 | 3,876,773.84 | 24,619,089.57 |
| Depreciation | | | |
| As at December 31, 2019 | - | - | - |
| Transfer from property, building and equipment <i>(Note 5)</i> | - | 1,431,938.33 | 1,431,938.33 |
| Increase | 3,336,996.39 | 775,354.83 | 4,112,351.22 |
| As at December 31, 2020 | 3,336,996.39 | 2,207,293.16 | 5,544,289.55 |
| Net book value | | | |
| As at December 31, 2020 | 17,405,319.34 | 1,669,480.68 | 19,074,800.02 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

13. RIGHT-OF-USE ASSETS (CONT.)

(Unit : Baht)

| | Separate financial statements | | | |
|---|-------------------------------|----------------------|---------------------|----------------------|
| | Land and Building | equipment | Vehicles | Total |
| <i>Assets – Cost</i> | | | | |
| As at December 31, 2019 | - | - | - | - |
| Adjustments of right-of-use assets due to TFRS 16 adoption (Note 5) | 20,742,315.73 | 7,758,834.11 | - | 28,501,149.84 |
| Transfer from property, building and equipment (Note 5) | - | - | 3,876,773.84 | 3,876,773.84 |
| Increase | - | 4,772,161.43 | - | 4,772,161.43 |
| As at December 31, 2020 | 20,742,315.73 | 12,530,995.54 | 3,876,773.84 | 37,150,085.11 |
| Depreciation | | | | |
| As at December 31, 2019 | - | - | - | - |
| Transfer from property, building and equipment (Note 5) | - | - | 1,431,938.33 | 1,431,938.33 |
| Increase | 3,336,996.39 | 2,211,302.70 | 775,354.83 | 6,323,653.92 |
| As at December 31, 2020 | 3,336,996.39 | 2,211,302.70 | 2,207,293.16 | 7,755,592.25 |
| Net book value | | | | |
| As at December 31, 2020 | 17,405,319.34 | 10,319,692.84 | 1,669,480.68 | 29,394,492.86 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

14. OTHER INTANGIBLE ASSETS

Changing of other intangible assets for the year ended December 31, 2020 are presented as follows:

| | (Unit : Baht) | |
|---------------------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| | Software licenses | Software licenses |
| Assets – Cost | | |
| As at January 1, 2019 | 7,512,950.00 | 7,265,050.00 |
| Increase | 1,890,590.00 | 1,890,590.00 |
| Write off | (8,500.00) | (8,500.00) |
| As at December 31, 2019 | 9,395,040.00 | 9,147,140.00 |
| Increase | 1,010,090.00 | 1,010,090.00 |
| Increase from business transfer | - | 27,900.00 |
| As at December 31, 2020 | 10,405,130.00 | 10,185,130.00 |
| Accumulated amortization | | |
| As at January 1, 2019 | 6,165,220.10 | 6,106,599.54 |
| Amortization for the year | 1,048,519.76 | 1,017,870.38 |
| Write off | (8,500.00) | (8,500.00) |
| As at December 31, 2019 | 7,205,239.86 | 7,115,969.92 |
| Amortization for the year | 1,173,496.88 | 1,148,587.22 |
| Increase from business transfer | - | 24,809.94 |
| As at December 31, 2020 | 8,378,736.74 | 8,289,367.08 |
| Net book value | | |
| As at December 31, 2019 | 2,189,800.14 | 2,031,170.08 |
| As at December 31, 2020 | 2,026,393.26 | 1,895,762.92 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

15. DEFERRED TAX ASSETS/LIABILITIES

Increase and decrease of deferred tax assets/liabilities are summarized as follows.

(Unit : Baht)

| | Consolidated financial statements | | | As at December 31, 2020 |
|--|-----------------------------------|---------------------------------|-------------------------------|----------------------------|
| | As at | Recognize as (expenses) revenue | | |
| | January 1, 2020 (Restated) | Profit or loss | Other comprehensive income | |
| | (Note 5) | (Note 25) | | |
| Deferred tax assets | | | | |
| Accounts Receivable (Allowance for expected credit loss incurred) | 382,831.04 | 535,195.79 | - | 918,026.83 |
| Inventories (Provision for devaluation of inventories) | 4,864,113.42 | (1,380,463.97) | - | 3,483,649.45 |
| Non-current provision for employee benefit | 2,247,643.20 | 322,390.70 | - | 2,570,033.90 |
| Right of Use Asset and Lease liabilities | 391,366.42 | 68,210.47 | 435,319.40 | 894,896.29 |
| Total | 7,885,954.08 | (454,667.01) | 435,319.40 | 7,866,606.47 |
| Deferred tax liabilities | | | | |
| Other non-current financial assets | (121,177.55) | - | (181,037.58) | (302,215.13) |
| Total | (121,177.55) | - | (181,037.58) | (302,215.13) |
| Total | 7,764,776.53 | (454,667.01) | 254,281.82 | 7,564,391.34 |

(Unit : Baht)

| | Consolidated financial statements | | | As at December 31, 2019 |
|--|-----------------------------------|---------------------------------|-------------------------------|----------------------------|
| | As at | Recognize as (expenses) revenue | | |
| | January 1, 2019 | Profit or loss | Other comprehensive income | |
| | | (Note 25) | | |
| Deferred tax assets | | | | |
| Accounts Receivable (Allowance for expected credit loss incurred) | 429,123.54 | (46,292.50) | - | 382,831.04 |
| Inventories (Provision for devaluation of inventories) | 3,690,069.61 | 1,174,043.81 | - | 4,864,113.42 |
| Non-current provision for employee benefit | 2,201,393.80 | (417,974.20) | 464,223.60 | 2,247,643.20 |
| Total | 6,320,586.95 | 709,777.11 | 464,223.60 | 7,494,587.66 |
| Deferred tax liabilities | | | | |
| Available for sale investments | - | - | (121,177.55) | (121,177.55) |
| Total | - | - | (121,177.55) | (121,177.55) |
| Total | 6,320,586.95 | 709,777.11 | 343,046.05 | 7,373,410.11 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

15. DEFERRED TAX ASSETS/LIABILITIES (CONT.)

Increase and decrease of deferred tax assets/liabilities are summarized as follows.

(Unit : Baht)

| | Separate financial statements | | | As at December 31, 2020 |
|--|-------------------------------|---------------------------------|-------------------------------|----------------------------|
| | As at | Recognize as (expenses) revenue | | |
| | January 1, 2020 (Restated) | Profit or loss | Other comprehensive income | |
| | (Note 5) | (Note 25) | | |
| Deferred tax assets | | | | |
| Accounts Receivable (Allowance for expected credit loss incurred) | 382,831.04 | 535,195.79 | - | 918,026.83 |
| Inventories (Provision for devaluation of inventories) | 4,678,846.49 | (1,195,197.04) | - | 3,483,649.45 |
| Non-current provision for employee benefit | 2,224,828.20 | 330,202.40 | 435,319.40 | 2,990,350.00 |
| Right of Use Asset and Lease liabilities | 383,554.72 | 91,025.47 | - | 474,580.19 |
| Total | 7,670,060.45 | (238,773.38) | 435,319.40 | 7,866,606.47 |
| Deferred tax liabilities | | | | |
| Other non-current financial assets | (121,177.55) | - | (181,037.58) | (302,215.13) |
| Total | (121,177.55) | - | (181,037.58) | (302,215.13) |
| Total | 7,548,882.90 | (238,773.38) | 254,281.82 | 7,564,391.34 |

(Unit : Baht)

| | Separate financial statements | | | As at December 31, 2019 |
|--|-------------------------------|---------------------------------|-------------------------------|----------------------------|
| | As at | Recognize as (expenses) revenue | | |
| | January 1, 2019 | Profit or loss | Other comprehensive income | |
| | | (Note 25) | | |
| Deferred tax assets | | | | |
| Accounts Receivable (Allowance for expected credit loss incurred) | 429,123.54 | (46,292.50) | - | 382,831.04 |
| Inventories (Provision for devaluation of inventories) | 3,679,960.77 | 998,885.72 | - | 4,678,846.49 |
| Non-current provision for employee benefit | 2,193,869.60 | (423,491.20) | 454,449.80 | 2,224,828.20 |
| Total | 6,302,953.91 | 529,102.02 | 454,449.80 | 7,286,505.73 |
| Deferred tax liabilities | | | | |
| Available for sale investments | - | - | (121,177.55) | (121,177.55) |
| Total | - | - | (121,177.55) | (121,177.55) |
| Total | 6,302,953.91 | 529,102.02 | 333,272.25 | 7,165,328.18 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-----------------|-----------------------------------|---------------------|-------------------------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| Bank overdrafts | - | 1,060,498.57 | - | - |
| Total | - | 1,060,498.57 | - | - |

17. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------------|-------------------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Trade accounts payable | | | | |
| Related parties | 540,929.59 | 1,358,341.60 | 861,929.59 | 4,121,377.99 |
| Other parties | 7,155,306.84 | 6,233,613.39 | 7,155,306.84 | 6,137,258.50 |
| Total trade accounts payable | 7,696,236.43 | 7,591,954.99 | 8,017,236.43 | 10,258,636.49 |
| Other current payables | | | | |
| Accrued expenses | 1,892,057.78 | 2,487,146.58 | 1,812,057.78 | 1,627,146.58 |
| Revenue Department payable | 2,838,164.45 | 2,126,496.41 | 2,838,164.45 | 2,059,231.18 |
| Others current payables | 14,597,324.44 | 5,840,406.86 | 14,570,283.76 | 5,807,984.87 |
| Total other current payables | 19,327,546.67 | 10,454,049.85 | 19,220,505.99 | 9,494,362.63 |
| Total trade and other current payables | 27,023,783.10 | 18,046,004.84 | 27,237,742.42 | 19,752,999.12 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

| | | | | (Unit : Baht) | |
|---|----------------------------------|--|-------------|--|----------------------|
| | | | | Consolidated and Separate financial statements | |
| No. | Loan agreement (million baht) | Repayment condition | Rate | 2020 | 2019 |
| 1 | 67 | By making 84 instalments, instalment 1-6 interest payment only, instalment 7-84 Baht 1.07 million each and the last instalment remaining principal and interest payment. | MLR – 1.00% | 46,279,484.71 | 56,789,573.42 |
| Total | | | | 46,279,484.71 | 56,789,573.42 |
| Less Current portion of long-term loans from financial institutions | | | | (11,087,761.07) | (10,212,060.40) |
| Net | | | | 35,191,723.64 | 46,577,513.02 |

As at December 31, 2020 and 2019, the Company has long-term loan from a commercial bank secured by mortgaged land and construction belonging to the company and Director in full amount of credit line.

19. LEASE LIABILITIES

| | | | (Unit : Baht) | |
|--|--|--|-----------------------------------|-------------------------------|
| | | | Consolidated financial statements | Separate financial statements |
| Net book value as at December 31, 2019 | | | 1,879,970.70 | 1,879,970.70 |
| Adjustments of lease liabilities due to TFRS 16 adoption <i>(Note 5)</i> | | | 22,473,221.92 | 30,418,923.46 |
| Increase | | | - | 4,772,161.43 |
| Decrease during the period | | | (3,765,406.16) | (5,834,713.47) |
| Net book value as at December 31, 2020 | | | 20,587,786.46 | 31,236,342.12 |
| Less Current portion | | | (3,797,785.86) | (7,007,261.28) |
| Net book value - net of current portion | | | 16,790,000.60 | 24,229,080.84 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

19. LEASE LIABILITIES (CONT.)

Future minimum lease payments required under the lease agreements were as follows:

| | (Unit : Baht) | |
|---|-----------------------------------|-------------------|
| | Consolidated financial statements | |
| | December 31, 2020 | December 31, 2019 |
| Detail of lease liabilities are as follows: | | |
| Within 1 year | 4,914,423.00 | 812,940.00 |
| Over 1 year not over 5 years | 14,547,718.00 | 1,192,141.00 |
| Over 5 years | 5,230,000.00 | - |
| Total | 24,692,141.00 | 2,005,081.00 |
| Less Future interest of lease liabilities | (4,104,354.54) | (125,110.30) |
| Present value of lease liabilities | 20,587,786.46 | 1,879,970.70 |

| | (Unit : Baht) | |
|---|-------------------------------|-------------------|
| | Separate financial statements | |
| | December 31, 2020 | December 31, 2019 |
| Detail of lease liabilities are as follows: | | |
| Within 1 year | 8,514,423.00 | 812,940.00 |
| Over 1 year not over 5 years | 22,347,718.00 | 1,192,141.00 |
| Over 5 years | 5,230,000.00 | - |
| Total | 36,092,141.00 | 2,005,081.00 |
| Less Future interest of lease liabilities | (4,855,798.88) | (125,110.30) |
| Present value of lease liabilities | 31,236,342.12 | 1,879,970.70 |

Consolidated and Separate financial statements

As at December 31, 2020 and 2019, the Company has entered into financial lease contracts for 4 vehicles with 4 financial institutions by making 48-60, instalments totalling Baht 67,750 each, instalment maturity in May 2021 to July 2023.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

20. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Employee benefits expenses project as determined:

(Unit : Baht)

| | Consolidated financial statements | |
|---|-----------------------------------|---------------------|
| | 2020 | 2019 |
| Current service cost | 1,644,779.97 | 929,778.00 |
| Interest cost | 216,157.03 | 242,359.00 |
| Past service cost unrecognized in statement of financial position | - | 443,338.00 |
| Total expenses | 1,860,937.00 | 1,615,475.00 |

Movement in the present value of the defined benefit obligations:

| | | |
|---|----------------------|----------------------|
| Defined benefit obligations at January 1, | 11,238,216.00 | 11,006,969.00 |
| Current service cost | 1,644,779.97 | 929,778.00 |
| Interest cost | 216,157.03 | 242,359.00 |
| Less Benefits paid | (324,000.00) | (3,705,346.00) |
| Actuarial (gain)/loss unrecognized in statement of financial position | 2,176,597.00 | 2,321,118.00 |
| Past service cost unrecognized in statement of financial position | - | 443,338.00 |
| Defined benefit obligation at December 31, | 14,951,750.00 | 11,238,216.00 |
| Less Current portion | (638,095.99) | - |
| Net book value - net of current portion | 14,313,654.01 | 11,238,216.00 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

20. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONT.)

| <u>Employee benefits expenses project as determined:</u> | (Unit : Baht) | |
|--|-------------------------------|----------------------|
| | Separate financial statements | |
| | 2020 | 2019 |
| Current service cost | 1,632,324.78 | 922,268.00 |
| Interest cost | 214,414.00 | 241,038.00 |
| Past service cost unrecognized in statement of financial position | - | 424,584.00 |
| Total expenses | 1,846,738.78 | 1,587,890.00 |
| <u>Movement in the present value of the defined benefit obligations:</u> | | |
| Defined benefit obligations at January 1, | 11,124,141.00 | 10,969,348.00 |
| Current service cost | 1,632,324.78 | 922,268.00 |
| Interest cost | 214,414.00 | 241,038.00 |
| Less Benefits paid | (324,000.00) | (3,705,346.00) |
| Actuarial gain unrecognized in statement of financial position | 2,176,597.00 | 2,272,249.00 |
| Increase from business transfer | 128,273.22 | - |
| Past service cost unrecognized in statement of financial position | - | 424,584.00 |
| Defined benefit obligation at December 31, | 14,951,750.00 | 11,124,141.00 |
| Less Current portion | (638,095.99) | - |
| Net book value - net of current portion | 14,313,654.01 | 11,124,141.00 |

Actuarial assumptions to use for calculation:

| | Consolidated and Separate financial statements | |
|----------------------------|--|---------------|
| | 2020 | 2019 |
| Retirement age | 60 years | 60 years |
| Discount Rate | 1.09 – 1.50 % | 1.71 – 2.16 % |
| Long term salary increases | 5.02 % | 6.29 % |
| Employees turn over | 0 – 22 % | 0 – 27 % |
| Mortality Rate | 100 % | 100 % |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

20. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONT.)

Remeasurements of post-employment benefit obligations recognised in other comprehensive income arising from:

| Assumptions | (Unit : Baht) | | | |
|------------------------|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Discount Rate | 279,237.00 | 1,289,954.00 | 279,237.00 | 1,270,305.00 |
| Salary increase rate | (1,557,110.00) | (278,445.00) | (1,557,110.00) | (274,280.00) |
| Employees turn over | (346,595.00) | 300,553.00 | (346,595.00) | 288,072.00 |
| Adjusted by experience | 3,801,065.00 | 1,009,056.00 | 3,801,065.00 | 988,152.00 |
| Total | 2,176,597.00 | 2,321,118.00 | 2,176,597.00 | 2,272,249.00 |

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | | (Unit : Baht) | | | |
|----------------------|----------|-----------------------------------|--------------|-------------------------------|--------------|
| | | 2020 | | | |
| | movement | Consolidated financial statements | | Separate financial statements | |
| | | Increase | Decrease | Increase | Decrease |
| Discount Rate | 0.5 % | (615,489.00) | 658,611.00 | (615,489.00) | 658,611.00 |
| Salary increase rate | 0.5 % | 585,333.00 | (552,265.00) | 585,333.00 | (552,265.00) |
| Employees turn over | 0.5 % | (451,470.00) | 488,490.00 | (451,470.00) | 488,490.00 |

| | | (Unit : Baht) | | | |
|--------------------------|----------|-----------------------------------|--------------|-------------------------------|--------------|
| | | 2019 | | | |
| | movement | Consolidated financial statements | | Separate financial statements | |
| | | Increase | Decrease | Increase | Decrease |
| Discount Rate | 1.0 % | (525,358.00) | 564,209.00 | (517,116.00) | 555,006.00 |
| Salary increase rate | 1.0 % | 503,923.00 | (474,550.00) | 496,305.00 | (467,710.00) |
| Employees turn over rate | 1.0 % | (436,411.00) | 471,412.00 | (426,921.00) | 460,737.00 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

21. SHARE CAPITAL AND PREMIUM ON ORDINARY SHARES

According to the resolution of the extra-ordinary shareholder meeting no.1 /2019 held on February 5, 2019, the meeting approved the Company to increase its registered capital for capital restructuring to be proper size from previous registered capital, 531,936 shares at par Baht 100 each total amount of Baht 53,193,600 by increasing additional registered capital, 968,064 shares at par Baht 100 each total amount of Baht 96,806,400 making total registered capital, 1,500,000 shares at par Baht 100 each total amount of Baht 150,000,000. The Company completely received registered share capital payment on February 15, 2019.

According to the resolution of annual ordinary shareholder meeting of the year 2019 held on March 13, 2019, the meeting approved to change previous par value of common share Baht 100 per share to Baht 0.50 per share making the number of issued and paid-up registered increasing 298,500,000 shares from 1,500,000 shares to be 300,000,000 shares. The issued and paid-up registered share capital remains the same. On March 14, 2019, the Company already registered such change at Ministry of Commerce.

According to the resolution of annual ordinary shareholder meeting of the year 2019 held on March 13, 2019, the meeting approved to increase registered share capital reserving for (Initial Public Offering) from registered share capital 300,000,000 shares at par Baht 0.50 each total amount of Baht 150,000,000 by additionally increasing registered share capital 130,000,000 shares at par Baht 0.50 each Baht 65,000,000 total registered share capital 430,000,000 shares at par Baht 0.50 each total amount of Baht 215,000,000. The Company completely received registered share capital payment on July 30, 2019.

22. LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

During 2020 and 2019. The Group has set aside net profit of the year Baht 2.20 million and baht 1.50 million, respectively as legal reserve.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

23. OPERATING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports of the Company of that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assessing its performance. The chief operating decision maker of the Company has been identified as President of executive directors.

The Group has main business operation in a single reported segment information engaging in production and distribution electrical equipment, graphite mould, metal powder and ground wire. All goods are not different in technology and marketing strategy. Geographical segment information is presented by revenues divided by geographical determined by location of customers in Thailand and overseas. Revenue, therefore is divided geographical segment information but most of assets presented in the financial statements are related to mentioned business segment.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

23. OPERATING SEGMENTS (CONT.)

(Unit : Baht)

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Domestic | | Overseas | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenue from sales | 351,601,421.95 | 346,437,288.60 | 68,343,046.00 | 80,494,080.16 | 419,944,467.95 | 426,931,368.76 |
| Revenue from services | 17,162,473.50 | 7,155,891.11 | 399,575.00 | - | 17,562,048.50 | 7,155,891.11 |
| Cost of sales and services | (206,470,327.60) | (219,095,049.34) | (45,398,563.28) | (61,200,000.90) | (251,868,890.88) | (280,295,050.24) |
| Gross profit | 162,293,567.85 | 134,498,130.37 | 23,344,057.72 | 19,294,079.26 | 185,637,625.57 | 153,792,209.63 |
| Interest income | | | | | 87,356.08 | 5,285.95 |
| Other income | | | | | 4,317,148.96 | 3,880,267.97 |
| Distributions costs | | | | | (27,547,638.32) | (34,606,131.68) |
| Administrative expenses | | | | | (99,014,524.97) | (89,150,510.18) |
| Finance costs | | | | | (4,316,810.92) | (3,245,400.20) |
| Profit before income tax | | | | | 59,163,156.40 | 30,675,721.49 |
| Income tax (expense) revenue | | | | | (12,471,622.31) | (7,279,448.67) |
| Profit for the year | | | | | 46,691,534.09 | 23,396,272.82 |
| Other comprehensive income (expense) | | | | | (1,017,127.27) | (1,372,184.19) |
| Total comprehensive income for the year | | | | | 45,674,406.82 | 22,024,088.63 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

23. OPERATING SEGMENTS (CONT.)

(Unit : Baht)

| | Separate financial statements | | | | | |
|--|-------------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Domestic | | Overseas | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenue from sales | 351,641,987.35 | 346,487,253.07 | 68,343,046.00 | 80,494,080.16 | 419,985,033.35 | 426,981,333.23 |
| Revenue from services | 17,162,473.50 | 7,155,891.11 | 399,575.00 | - | 17,562,048.50 | 7,155,891.11 |
| Cost of sales and services | (211,902,939.14) | (221,299,307.85) | (45,398,563.28) | (61,200,000.90) | (257,301,502.42) | (282,499,308.75) |
| Gross profit | 156,901,521.71 | 132,343,836.33 | 23,344,057.72 | 19,294,079.26 | 180,245,579.43 | 151,637,915.59 |
| Interest income | | | | | 532,235.96 | 485,279.82 |
| Other income | | | | | 4,577,774.11 | 4,798,216.34 |
| Distributions costs | | | | | (27,547,638.32) | (34,606,131.68) |
| Administrative expenses | | | | | (98,267,714.31) | (85,346,627.58) |
| Finance costs | | | | | (4,727,090.51) | (3,142,500.60) |
| Profit before income tax | | | | | 54,813,146.36 | 33,826,151.89 |
| Income tax (expense) revenue | | | | | (12,016,441.35) | (7,460,123.76) |
| Profit for the year | | | | | 42,796,705.01 | 26,366,028.13 |
| Other comprehensive income (expense) | | | | | (1,017,127.27) | (1,333,088.99) |
| Total comprehensive income for the year | | | | | 41,779,577.74 | 25,032,939.14 |

Mayor customers (Consolidated and Separate financial statements)

In 2020, the Company has revenues from 1 major customer approximately Baht 62.80 millions (In 2019, the Company has revenues from 1 major customer approximately Baht 68.51 million.) of total revenues of the Company.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

24. EXPENSES BY NATURE

The financial statements have included analyse of expenses by duty analyse, expenses by nature which are disclosed under regulation of Financial Reporting Standards as follows:

| | (Unit : Baht) | | | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <i>Included in cost of sale of goods:</i> | | | | |
| Changes in inventories and work in process | 13,416,448.26 | 33,792,420.80 | 13,593,522.69 | 33,266,935.08 |
| Raw materials and consumables used | 156,853,406.38 | 86,728,010.53 | 150,952,815.94 | 80,235,004.00 |
| Employees benefit expenses | 41,290,719.15 | 39,246,084.07 | 39,200,592.60 | 36,219,481.01 |
| Depreciation and amortization | 8,960,295.18 | 10,074,533.52 | 7,619,551.09 | 8,326,359.74 |
| Utilities expenses | 4,591,572.74 | 3,765,231.00 | 4,591,572.74 | 3,765,231.00 |
| <i>Included in distribution costs</i> | | | | |
| Employees benefit expenses | 13,437,035.27 | 13,514,905.50 | 13,437,035.27 | 13,514,905.50 |
| Transportation expenses | 1,403,662.16 | 2,094,217.46 | 1,403,662.16 | 2,094,217.46 |
| <i>Included in Administrative expenses</i> | | | | |
| Employees benefit expenses | 62,287,262.89 | 53,944,077.72 | 62,287,262.89 | 53,104,077.72 |
| Depreciation and amortization | 7,654,271.75 | 4,990,101.52 | 7,588,759.70 | 4,898,769.55 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

25. INCOME TAX (EXPENSE) REVENUE

Income tax recognised in profit or loss

| | (Unit : Baht) | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <i>Current income tax:</i> | | | | |
| Income tax for the current year | 12,016,955.30 | 7,989,225.78 | 11,777,667.97 | 7,989,225.78 |
| <i>Deferred income tax:</i> | | | | |
| Deferred tax from temporary difference | 454,667.01 | (709,777.11) | 238,773.38 | (529,102.02) |
| Total | 12,471,622.31 | 7,279,448.67 | 12,016,441.35 | 7,460,123.76 |

Reconciliation for effective income tax rate

| | (Unit : Baht) | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Profit before income tax | 59,163,156.40 | 30,675,721.49 | 54,813,146.36 | 33,826,151.89 |
| Income tax rate | 20 % | 20 % | 20 % | 20 % |
| Income tax | 11,832,631.28 | 6,135,144.30 | 10,962,629.27 | 6,765,230.38 |
| <i>The effect of income tax:</i> | | | | |
| Non-taxable revenues and expenses | (74,764.81) | (79,955.82) | (83,564.03) | (79,955.82) |
| Undeductible expenses | 989,996.72 | 1,104,261.53 | 943,606.22 | 774,849.20 |
| Current year tax loss for which no deferred tax asset was recognized | (111,631.63) | 111,631.63 | - | - |
| Other | (164,609.25) | 8,367.03 | 193,769.89 | - |
| Income tax presented in statement of comprehensive income | 12,471,622.31 | 7,279,448.67 | 12,016,441.35 | 7,460,123.76 |
| <i>Effective income tax rate</i> | 21.08% | 23.73% | 21.92% | 22.05% |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Group (excluding other comprehensive income) by weighted average number of common share issued during the year.

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Profit for the year | <u>46,691,534.09</u> | <u>23,396,272.82</u> | <u>42,796,705.01</u> | <u>26,366,028.13</u> |
| Weighted average number of | | | | |
| ordinary shares | <u>430,000,000</u> | <u>377,796,646</u> | <u>430,000,000</u> | <u>377,796,646</u> |
| Basic earnings per share (Baht/Share) | 0.11 | 0.06 | 0.10 | 0.07 |

27. DIVIDENDS

According to the resolution of the Board of Director meeting no.3/2020 held on April 10, 2020, the meeting passed resolution to approve interim dividend from performance of the year 2019 and retained earnings at the rate 0.07 per share total amount of Baht 30.10 million. Such interim dividend was already paid on May 8, 2020 and payment of such interim dividend was approved by the shareholder meeting of the year 2020 held on August 4, 2020

According to the resolution of the Board of Director meeting no. 1/ 2019 held on January 17, 2019, the meeting approved the Company to pay interim dividend to shareholders Baht 202.21 per share for issued and paid up 531,936 shares total amount of Baht 107,562,778.56 and set aside retained earnings Baht 2,319,360 as legal reserve. Such interim dividend was completely paid to shareholders on February 12, 2019.

According to the resolution of the annual ordinary shareholder meeting of the year 2019 held on March 13, 2019, the meeting approved the Company to pay dividend from performance of the year 2018 Baht 8.00 per share form issued and paid-up 1,500,000 shares total amount of Baht 12,000,000. The Company additionally set aside retained earnings Baht 9,680,640 as legal reserve. Such dividend was already paid on March 20, 2019.

28. TRANSACTION WITH RELATED PERSONS AND PARTIES

Related persons and parties mean individuals and enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Moreover, related persons and parties also mean associated and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel , directors.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

The group assets, liabilities, revenues and expenses arose from the transaction with related persons and parties. Those transactions are determined on the basis of the company concerned and in the normal course of business.

Related transactions are in accordance with condition and rules indicated in agreement made with the Group, the Company and persons that can be summarized as follows.

| Name/Related persons and parties | Relationship | Transactions | Pricing policies |
|---|--|------------------------------------|--|
| KUMWELL CO., LTD. (Registered for dissolution on September 30, 2020 by transferring business to KUMWELL CORPORATION PUBLIC COMPANY LIMITED) | Subsidiary and common shareholder and Director | Sales, Purchases of goods | Cost plus margin |
| | | Rental income | Price indicated in rental agreement Baht 72,000 per month |
| | | Electricity income | Cost price |
| | | Rental expenses | Price indicated in rental agreement Baht 180,000 per month and increase to Baht 30,000 per month in October 2020. |
| KUMWELL-NOWCAST CO., LTD. | Subsidiary and common shareholder/ Director | Depreciation - right-of-use assets | Straight-line |
| | | Other service incomes | Cost plus margin |
| | | Short-term loans/ Interest income | Price indicated in agreement amount of Baht 8 million with interest 4.25-6 % per year |
| | | Rental expenses | Price indicated in rental agreement Baht 215,000 per month |
| K.M.L INTERNATIONAL CO., LTD. | Common shareholder/Director | Depreciation - right-of-use assets | Straight-line |
| | | Rental expenses | Price indicated in rental agreement Baht 215,000 per month |
| 149 ENGINEERING CO., LTD. | Intimates of director | Sales, Purchases of goods | Cost plus margin |
| | | Purchases of assets | Cost plus margin |
| | | Distribution costs | Cost plus margin |
| | | Service expenses | Cost plus margin |
| RELATED PERSON | | Rental expenses | Price indicated in rental agreement Baht 12,500 per month |
| | | Depreciation - right-of-use assets | Straight-line |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

The outstanding balance of related persons and parties as at December 31, 2020 and 2019 are as follows:

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-------------------|-------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Statements of financial position | | | | |
| Trade and other current receivables | | | | |
| <u>Trade accounts receivable</u> | | | | |
| KUMWELL CO., LTD. | - | - | - | 262,100.03 |
| Total | - | - | - | 262,100.03 |
| <u>Other current receivables</u> | | | | |
| 149 ENGINEERING CO., LTD. | 1,491,870.00 | - | 1,491,870.00 | - |
| Total | 1,491,870.00 | - | 1,491,870.00 | - |
| Short-term loan to related parties | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 7,800,000.00 | 8,000,000.00 |
| Total | - | - | 7,800,000.00 | 8,000,000.00 |
| Right-of-use assets | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 10,319,692.68 | - |
| K.M.L INTERNATIONAL CO., LTD. | 8,689,354.08 | - | 8,689,354.08 | - |
| RELATED PERSON | 137,627.40 | - | 137,627.40 | - |
| Total | 8,826,981.48 | - | 19,146,674.16 | - |
| Other non-current assets | | | | |
| 149 ENGINEERING CO., LTD. | - | 480,000.00 | - | 480,000.00 |
| Total | - | 480,000.00 | - | 480,000.00 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Statements of financial position | | | | |
| Trade and other current payables | | | | |
| <u>Trade accounts payable</u> | | | | |
| KUMWELL CO., LTD. | - | - | - | 2,377,836.39 |
| KUMWELL-NOWCAST CO., LTD. | - | - | 321,000.00 | 385,200.00 |
| K.M.L INTERNATIONAL CO., LTD. | 505,095.29 | 503,487.78 | 505,095.29 | 503,487.78 |
| 149 ENGINEERING CO., LTD. | 35,834.30 | 854,853.82 | 35,834.30 | 854,853.82 |
| Total | 540,929.59 | 1,358,341.60 | 861,929.59 | 4,121,377.99 |
| Lease liabilities | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 10,648,555.64 | - |
| K.M.L INTERNATIONAL CO., LTD. | 9,154,768.32 | - | 9,154,768.32 | - |
| RELATED PERSON | 145,236.65 | - | 145,236.65 | - |
| Total | 9,300,004.97 | - | 19,948,560.61 | - |

Short-term loans to related parties

Increase and decrease of short-term loan to related party as at December 31, 2020 and 2019 are as follows.

(Unit : Baht)

| | Separate financial statements | |
|-------------------|-------------------------------|--------------|
| | 2020 | 2019 |
| Beginning balance | 8,000,000.00 | 8,000,000.00 |
| Increase | - | - |
| Decrease | 200,000.00 | - |
| Ending balance | 7,800,000.00 | 8,000,000.00 |

The Company has short-term loan to related parties by issuing promissory notes due at call with the reference interest rate 4.25 % per annum (2019 interest rate 6.00 % per annum) and no collateral.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

Significant transaction with related persons and parties in statement of comprehensive income for the year ended December 31, 2020 and 2019 are as follows.

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------------|-------------------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Statements of comprehensive income | | | | |
| Revenue from sales of goods | | | | |
| KUMWELL CO., LTD. | - | - | 40,565.40 | 119,133.80 |
| 149 ENGINEERING CO., LTD. | 97,143.53 | 311,749.63 | 97,143.53 | 311,749.63 |
| Total | 97,143.53 | 311,749.63 | 137,708.93 | 430,883.43 |
| Other service income | | | | |
| KUMWELL CO., LTD. | - | - | - | 80,285.86 |
| KUMWELL-NOWCAST CO., LTD. | - | - | 257,843.52 | - |
| Total | - | - | 257,843.52 | 80,285.86 |
| Rental income | | | | |
| KUMWELL CO., LTD. | - | - | 731,621.89 | 864,000.00 |
| Total | - | - | 731,621.89 | 864,000.00 |
| Interest income | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 444,879.88 | 479,999.96 |
| Total | - | - | 444,879.88 | 479,999.96 |
| Purchases of goods and services | | | | |
| KUMWELL CO., LTD. | - | - | 12,466,356.08 | 13,063,245.25 |
| 149 ENGINEERING CO., LTD. | 948,657.50 | 5,441,162.92 | 948,657.50 | 5,441,162.92 |
| Total | 948,657.50 | 5,441,162.92 | 13,415,013.58 | 18,504,408.17 |
| Rental expenses | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 2,211,302.70 | 1,800,000.00 |
| K.M.L INTERNATIONAL CO., LTD. | 2,674,309.02 | 3,382,066.80 | 2,674,309.02 | 3,382,066.80 |
| RELATED PERSON | 137,627.40 | 149,000.00 | 137,627.40 | 149,000.00 |
| Total | 2,811,936.42 | 3,531,066.80 | 5,023,239.12 | 5,331,066.80 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Statements of comprehensive income | | | | |
| Purchases of assets | | | | |
| KUMWELL CO., LTD. | - | - | - | 3,675.00 |
| K.M.L INTERNATIONAL CO., LTD. | - | 1,978,800.00 | - | 1,978,800.00 |
| 149 ENGINEERING CO., LTD. | 628,722.40 | 6,500.00 | 628,722.40 | 6,500.00 |
| Total | 628,722.40 | 1,985,300.00 | 628,722.40 | 1,988,975.00 |
| Distributions costs | | | | |
| 149 ENGINEERING CO., LTD. | - | 7,000.00 | - | 7,000.00 |
| Total | - | 7,000.00 | - | 7,000.00 |
| Finance costs | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | 450,692.69 | - |
| K.M.L INTERNATIONAL CO., LTD. | 613,772.76 | - | 613,772.76 | - |
| RELATED PERSON | 13,200.82 | - | 13,200.82 | - |
| Total | 626,973.58 | - | 1,077,666.27 | - |
| Significant Management | | | | |
| Significant Management remuneration. | | | | |
| Short-term benefits | 17,193,006.70 | 9,448,934.00 | 16,563,006.70 | 8,608,934.00 |
| Post employment benefits | 557,530.45 | 437,675.00 | 557,530.45 | 437,675.00 |
| Total | 17,750,537.15 | 9,886,609.00 | 17,120,537.15 | 9,046,609.00 |

Significant Management remuneration is benefits paid to Director and Management of the Group consisting of Management remuneration by money such as salaries, related benefit including employee benefit obligation, retirement project and remuneration such as meeting allowance, pension.

Director remuneration is the benefit paid to Director in accordance with Section 90 of the Public Limited Company Act excluding salaries and related benefit paid to executive Director.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

Commitment with related person and parties

As at December 31, 2020 and 2019, the Company has entered into building rental agreement with related party and must pay rental and service charge as follows.

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------|-------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Commitment in non-cancellable operating lease within 1 year. | | | | |
| KUMWELL CO., LTD. | - | - | - | 864,000.00 |
| Over 1 year less than 5 years | | | | |
| KUMWELL CO., LTD. | - | - | - | 864,000.00 |
| Total | - | - | - | 1,728,000.00 |

As at December 31, 2020 and 2019, the Company has entered into building rental agreement with related party and must pay rental and service charge as follows.

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Commitment in non-cancellable operating lease | | | | |
| Within 1 year | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | - | 2,160,000.00 |
| K.M.L INTERNATIONAL CO., LTD. | - | 2,580,000.00 | - | 2,580,000.00 |
| RELATED PERSON | - | 150,000.00 | - | 150,000.00 |
| Over 1 year less than 5 years | | | | |
| KUMWELL-NOWCAST CO., LTD. | - | - | - | 6,840,000.00 |
| K.M.L INTERNATIONAL CO., LTD. | - | 2,580,000.00 | - | 2,580,000.00 |
| RELATED PERSON | - | 150,000.00 | - | 150,000.00 |
| Total | - | 5,460,000.00 | - | 14,460,000.00 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

28. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT.)

As at December 31, 2020, the Group had no obligations under building and equipment rental agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 3 and 5 to the consolidated financial statements.

29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 As at December 31, 2020 and 2019, the Company has commitment from letter of guarantee issued by a domestic commercial bank for purchasing goods from overseas USD 92,956.65 and USD 4,559.28, respectively.

29.2 AS at December 31, 2020 and 2019, the Group has bank overdrafts, short-term loan, L/C, T/R and forward facilities total Baht 167 million and USD 1.00 million (Separate Baht 165 million and USD 1.00 million) and total Baht 125 million.(Separate Baht 115million), respectively. Such commitment are secured by saving deposit, land and construction belonging to the Company and related persons in full amount.

29.3 As at December 31, 2020 and 2019, the Company has commitment from letter of guarantee issued by a domestic commercial bank for guarantee operations comply with the contract Baht 2.78 million and Baht 1.01 million. Such commitment is secured by current account in full mount.

29.4 As at December 31, 2020, the Company has commitment under factory construction contract with a company with remaining contract value amount of Baht 22.72 million.

29.5 As at December 31, 2020 and 2019, the Group has commitment to pay under long-term leases as following detail.

| | (Unit : Baht) | | | |
|-------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Within 1 year | 207,600.00 | 1,786,000.00 | - | 1,560,000.00 |
| Over 1 year less than 5 years | 24,000.00 | 6,276,000.00 | - | 6,240,000.00 |
| Over 5 years | - | 6,790,000.00 | - | 6,790,000.00 |
| | <u>231,600.00</u> | <u>14,852,000.00</u> | <u>-</u> | <u>14,590,000.00</u> |

As at December 31, 2020, the Group reclassified partial of long-term lease from adoption the TFRS 16 as at January 1, 2020. The Group recognized the long-term lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 3 and 5 to the consolidated financial statements.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term loan from related party, Investment, restricted bank deposits, trade and other current payables, long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to deposits with banks and trade accounts receivable. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising currency risk and interest rate risk.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. As the Group have not made forward contract against foreign currency risk.

As at December 31, 2020 and 2019 the Group is exposed to foreign currency risks from assets and liabilities denominated in foreign currency which have not been made forward contract as follows:

| | (Unit : USD) | | (Unit : Baht) | |
|--------------------------------------|-------------------------------|------------|-------------------------------|---------------|
| | Consolidated and | | Consolidated and | |
| | Separate financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash and cash equivalents | 144,464.46 | - | 4,315,153.43 | - |
| Trade accounts receivable | 417,930.63 | 372,086.19 | 12,482,501.30 | 12,279,132.69 |
| Net statements of financial position | 562,395.09 | 372,086.19 | 16,797,654.73 | 12,279,132.69 |

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at December 31, 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

| Currency | Change in FX rate | Effect on profit before tax |
|-----------|-------------------|-----------------------------|
| | (%) | (Unit : Baht) |
| US dollar | +5 | 839,882.74 |
| | - 5 | (839,882.74) |

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their cash at banks, short-term loan from related party, long-term loans and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Interest rate risk (Cont.)

As at December 31, 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

| Consolidated financial statements | | | | | | |
|---|----------------------|----------------------|---------------------|------------------------|-----------------------|-----------------------|
| As at December 31, 2020 | | | | | | |
| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | Total |
| | Within 1 year | 1-5 years | Over 5 years | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | - | 5,344,745.08 | 21,934,718.62 | 27,279,463.70 |
| Other current financial assets | 19,968,699.52 | - | - | - | - | 19,968,699.52 |
| Account receivable | - | - | - | - | 91,263,818.37 | 91,263,818.37 |
| Restricted bank deposits | - | - | - | 457,772.75 | 1,012,773.17 | 1,470,545.92 |
| Other non-current financial assets | - | - | - | - | 95,511,075.67 | 95,511,075.67 |
| Total | 19,968,699.52 | - | - | 5,802,517.83 | 209,722,385.83 | 235,493,603.18 |
| Financial liabilities | | | | | | |
| Trade and other current payables | - | - | - | - | 27,023,783.10 | 27,023,783.10 |
| Long-term loans from other financial institutions | 11,087,761.07 | 35,191,723.64 | - | - | - | 46,279,484.71 |
| Lease liabilities | 4,914,423.00 | 14,547,718.00 | 5,230,000.00 | - | - | 24,692,141.00 |
| Total | 16,002,184.07 | 49,739,441.64 | 5,230,000.00 | - | 27,023,783.10 | 97,995,408.81 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Interest rate risk (Cont.)

(Unit: Baht)

| Consolidated financial statements | | | | | | |
|--|------------------|---------------|-----------------|---------------------------|-------------------------|----------------|
| As at December 31, 2019 | | | | | | |
| Fixed interest rates | | | | | | |
| | Within 1 year | 1-5 years | Over 5 years | Floating interest rate | Non-interest bearing | Total |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | - | 1,871,791.10 | 34,964,751.91 | 36,836,543.01 |
| Account receivable | - | - | - | - | 88,624,018.80 | 88,624,018.80 |
| Restricted bank deposits | - | - | - | - | 1,012,773.17 | 1,012,773.17 |
| Available for sale investments | - | - | - | - | 106,605,887.76 | 106,605,887.76 |
| Total | - | - | - | 1,871,791.10 | 231,207,431.64 | 233,079,222.74 |
| Financial liabilities | | | | | | |
| Bank overdrafts and short-term loans from other financial institutions | - | - | - | 1,060,498.57 | - | 1,060,498.57 |
| Trade and other current payables | - | - | - | - | 18,046,004.84 | 18,046,004.84 |
| Long-term loans from other financial institutions | 10,212,060.40 | 46,577,513.02 | - | - | - | 56,789,573.42 |
| Lease liabilities | 812,940.00 | 1,192,141.00 | - | - | - | 2,005,081.00 |
| Total | 11,025,000.40 | 47,769,654.02 | - | 1,060,498.57 | 18,046,004.84 | 77,901,157.83 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Interest rate risk (Cont.)

(Unit: Baht)

| | Separate financial statements | | | | | Total |
|---|-------------------------------|----------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| | As at December 31, 2020 | | | | | |
| | Fixed interest rates | | | | | |
| Within 1 year | 1-5 years | Over 5 years | Floating interest rate | Non-interest bearing | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | - | 5,344,745.06 | 21,842,121.50 | 27,186,866.56 |
| Short-term loans to related parties | 7,800,000.00 | - | - | - | - | 7,800,000.00 |
| Other current financial assets | 19,968,699.52 | - | - | - | - | 19,968,699.52 |
| Account receivable | - | - | - | - | 91,263,818.37 | 91,263,818.37 |
| Restricted bank deposits | - | - | - | 457,772.75 | 1,012,773.17 | 1,470,545.92 |
| Other non-current financial assets | - | - | - | - | 95,511,075.67 | 95,511,075.67 |
| Total | <u>27,768,699.52</u> | <u>-</u> | <u>-</u> | <u>5,802,517.81</u> | <u>209,629,788.71</u> | <u>243,201,006.04</u> |
| Financial liabilities | | | | | | |
| Trade and other current payables | - | - | - | - | 27,237,742.42 | 27,237,742.42 |
| Long-term loans from other financial institutions | 11,087,761.07 | 35,191,723.64 | - | - | - | 46,279,484.71 |
| Lease liabilities | 8,514,423.00 | 22,347,718.00 | 5,230,000.00 | - | - | 36,092,141.00 |
| Total | <u>19,602,184.07</u> | <u>57,539,441.64</u> | <u>5,230,000.00</u> | <u>-</u> | <u>27,237,742.42</u> | <u>109,609,368.13</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Interest rate risk (Cont.)

(Unit: Baht)

| | Separate financial statements | | | | | Total |
|---|-------------------------------|----------------------|----------|------------------------|-----------------------|-----------------------|
| | As at December 31, 2019 | | | | | |
| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | |
| Within 1 year | 1-5 years | Over 5 years | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 30,411.40 | - | - | 1,839,683.73 | 30,218,541.67 | 32,088,636.80 |
| Short-term loans to related parties | 8,000,000.00 | - | - | - | - | 8,000,000.00 |
| Account receivable | - | - | - | - | 88,886,118.83 | 88,886,118.83 |
| Restricted bank deposits | - | - | - | - | 1,012,773.17 | 1,012,773.17 |
| Available for sale investments | - | - | - | - | 106,605,887.76 | 106,605,887.76 |
| Total | <u>8,030,411.40</u> | <u>-</u> | <u>-</u> | <u>1,839,683.73</u> | <u>226,723,321.43</u> | <u>236,593,416.56</u> |
| Financial liabilities | | | | | | |
| Trade and other current payables | - | - | - | - | 19,752,999.12 | 19,752,999.12 |
| Long-term loans from other financial institutions | 10,212,060.40 | 46,577,513.02 | - | - | - | 56,789,573.42 |
| Lease liabilities | 812,940.00 | 1,192,141.00 | - | - | - | 2,005,081.00 |
| Total | <u>11,025,000.40</u> | <u>47,769,654.02</u> | <u>-</u> | <u>-</u> | <u>19,752,999.12</u> | <u>78,547,653.54</u> |

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate borrowings affected as at December 31, 2020.

| | Consolidated and Separate financial statements | | |
|------------------------|--|---|----------------------------------|
| | Increase/ decrease | Increase (decrease) in profit before tax | Increase (decrease) in equity |
| | (% p.a.) | (Baht) | (Baht) |
| Loans Currency in Baht | +0.5 | 231,397.42 | 185,117.94 |
| | -0.5 | (231,397.42) | (185,117.94) |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Interest rate sensitivity (Cont.)

The interest rate sensitivity of floating rate borrowings in Baht includes effect from application of interest rate swap for cash flow hedge.

The above analysis has been prepared assuming that the amounts of the floating rate borrowings and all other variables remain constant over one year. Moreover, the floating legs of these borrowings are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group's policy is maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the bank loans agreement. Approximately 43% of the Group's debt will mature in less than one year at December 31, 2020 (2019: 34%) (the Company only: 42%, 2019: 34%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at December 31, 2020 based on contractual undiscounted cash flows:

(Unit: Baht)

| | Consolidated financial statements | | | Total |
|--|-----------------------------------|----------------------|---------------------|----------------------|
| | Less than 1 year | 1 to 5 years | > 5 years | |
| financial liabilities | | | | |
| Trade and other current payables | 27,023,783.10 | - | - | 27,023,783.10 |
| Lease liabilities | 4,914,423.00 | 14,547,718.00 | 5,230,000.00 | 24,692,141.00 |
| Long-term loans from financial institution | 11,087,761.07 | 35,191,723.64 | - | 46,279,484.71 |
| Total financial liabilities | <u>43,025,967.17</u> | <u>49,739,441.64</u> | <u>5,230,000.00</u> | <u>97,995,408.81</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Liquidity risk (Cont.)

(Unit: Baht)

| | Separate financial statements | | | Total |
|--|-------------------------------|----------------------|---------------------|-----------------------|
| | Less than 1 year | 1 to 5 years | > 5 years | |
| financial liabilities | | | | |
| Trade and other current payables | 27,237,742.42 | - | - | 27,237,742.42 |
| Lease liabilities | 8,514,423.00 | 22,347,718.00 | 5,230,000.00 | 36,092,141.00 |
| Long-term loans from financial institution | 11,087,761.07 | 35,191,723.64 | - | 46,279,484.71 |
| Total financial liabilities | <u>46,839,926.49</u> | <u>57,539,441.64</u> | <u>5,230,000.00</u> | <u>109,609,368.13</u> |

Fair value of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, the Group's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Fair value of financial instruments (Cont.)

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2020 and 2019 are presented below.

(Unit: Baht)

| | Consolidated financial statements as at December 31, 2020 | | | |
|---|--|-----------------------|-----------------------|-----------------------|
| | <u>Carrying value</u> | | | <u>Fair value</u> |
| | Fair value through other comprehensive income | Amortised cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 27,279,463.70 | 27,279,463.70 | 27,279,463.70 |
| Trade and other current receivables | - | 101,505,442.67 | 101,505,442.67 | 101,505,442.67 |
| Other current financial assets | - | 19,968,699.52 | 19,968,699.52 | 19,968,699.52 |
| Restricted bank deposits | - | 1,470,545.92 | 1,470,545.92 | 1,470,545.92 |
| Other non-current financial assets | 95,511,075.67 | - | 95,511,075.67 | 95,511,075.67 |
| Total Financial assets | <u>95,511,075.67</u> | <u>150,224,151.81</u> | <u>245,735,227.48</u> | <u>245,735,227.48</u> |
| Financial liabilities | | | | |
| Trade and other current payables | - | 27,023,783.10 | 27,023,783.10 | 27,023,783.10 |
| Long-term loans from other financial institutions | - | 46,279,484.71 | 46,279,484.71 | 46,279,484.71 |
| Lease liabilities | - | 20,587,786.46 | 20,587,786.46 | 20,587,786.46 |
| Total Financial liabilities | <u>-</u> | <u>93,891,054.27</u> | <u>93,891,054.27</u> | <u>93,891,054.27</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Fair value of financial instruments(Cont.)

(Unit: Baht)

| Consolidated financial statements as at December 31, 2019 | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Carrying value | | | Fair value |
| | Fair value through | | | |
| | other comprehensive | | | |
| | income | Amortised cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 36,836,543.01 | 36,836,543.01 | 36,836,543.01 |
| Trade and other current receivables | - | 97,266,342.62 | 97,266,342.62 | 97,266,342.62 |
| Restricted bank deposits | - | 1,012,773.17 | 1,012,773.17 | 1,012,773.17 |
| Available for sale investments | <u>106,605,887.76</u> | <u>-</u> | <u>106,605,887.76</u> | <u>106,605,887.76</u> |
| Total Financial assets | <u>106,605,887.76</u> | <u>135,115,658.80</u> | <u>241,721,546.56</u> | <u>241,721,546.56</u> |
| Financial liabilities | | | | |
| Bank overdrafts and short-term loans | | | | |
| from other financial institutions | - | 1,060,498.57 | 1,060,498.57 | 1,060,498.57 |
| Trade and other current payables | - | 18,046,004.84 | 18,046,004.84 | 18,046,004.84 |
| Long-term loans from other financial | | | | |
| institutions | - | 56,789,573.42 | 56,789,573.42 | 56,789,573.42 |
| Lease liabilities | <u>-</u> | <u>1,879,970.70</u> | <u>1,879,970.70</u> | <u>1,879,970.70</u> |
| Total Financial liabilities | <u>-</u> | <u>77,776,047.53</u> | <u>77,776,047.53</u> | <u>77,776,047.53</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Fair value of financial instruments (Cont.)

(Unit: Baht)

| | Separate financial statements as at December 31, 2020 | | | |
|---|---|-----------------------|-----------------------|-----------------------|
| | Carrying value | | | Fair value |
| | Fair value through other comprehensive income | Amortised cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 27,186,866.56 | 27,186,866.56 | 27,186,866.56 |
| Trade and other current receivables | - | 101,303,943.70 | 101,303,943.70 | 101,303,943.70 |
| Short-term loans to related parties | - | 7,800,000.00 | 7,800,000.00 | 7,800,000.00 |
| Other current financial assets | - | 19,968,699.52 | 19,968,699.52 | 19,968,699.52 |
| Restricted bank deposits | - | 1,470,545.92 | 1,470,545.92 | 1,470,545.92 |
| Other non-current financial assets | 95,511,075.67 | - | 95,511,075.67 | 95,511,075.67 |
| Total Financial assets | <u>95,511,075.67</u> | <u>157,730,055.70</u> | <u>253,241,131.37</u> | <u>253,241,131.37</u> |
| Financial liabilities | | | | |
| Trade and other current payables | - | 27,237,742.42 | 27,237,742.42 | 27,237,742.42 |
| Long-term loans from other financial institutions | - | 46,279,484.71 | 46,279,484.71 | 46,279,484.71 |
| Lease liabilities | - | 31,236,342.12 | 31,236,342.12 | 31,236,342.12 |
| Total Financial liabilities | <u>-</u> | <u>104,753,569.25</u> | <u>104,753,569.25</u> | <u>104,753,569.25</u> |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

30. FINANCIAL INSTRUMENTS (CONT.)

Fair value of financial instruments (Cont.)

(Unit: Baht)

| Separate financial statements as at December 31, 2019 | | | | |
|--|---|-----------------------|-----------------------|-----------------------|
| | <u>Carrying value</u> | | | <u>Fair value</u> |
| | Fair value through other comprehensive income | Amortised cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 32,088,636.80 | 32,088,636.80 | 32,088,636.80 |
| Trade and other current receivables | - | 95,232,486.18 | 95,232,486.18 | 95,232,486.18 |
| Short-term loans to related parties | - | 8,000,000.00 | 8,000,000.00 | 8,000,000.00 |
| Restricted bank deposits | - | 1,012,773.17 | 1,012,773.17 | 1,012,773.17 |
| Available for sale investments | 106,605,887.76 | - | 106,605,887.76 | 106,605,887.76 |
| Total Financial assets | <u>106,605,887.76</u> | <u>136,333,896.15</u> | <u>242,939,783.91</u> | <u>242,939,783.91</u> |
| Financial liabilities | | | | |
| Trade and other current payables | - | 19,752,999.12 | 19,752,999.12 | 19,752,999.12 |
| Long-term loans from other financial institutions | - | 56,789,573.42 | 56,789,573.42 | 56,789,573.42 |
| Lease liabilities | - | 1,879,970.70 | 1,879,970.70 | 1,879,970.70 |
| Total Financial liabilities | <u>-</u> | <u>78,422,543.24</u> | <u>78,422,543.24</u> | <u>78,422,543.24</u> |

During the current year, there was no transfer within the fair value hierarchy.

Fair value hierarchy

As at December 31, 2020, the Group had the assets that were measured at fair value and liabilities for which fair value were disclosed using different levels of inputs as follows:

(Unit : Baht)

| Consolidated and Separate financial statements as at December 31, 2020 | | | | |
|---|----------------|----------------|----------------|---------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| <u>financial assets</u> | | | | |
| Other non-current financial assets | - | 95,511,075.67 | - | 95,511,075.67 |

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)

31. SHARE-BASED PAYMENTS

The Company has restructured the Group by swapping 9,096 common shares of the company (KUMWELL CORPORATION PUBLIC COMPANY LIMITED.) with 9,096 common shares of a subsidiary (KUMWELL CO., LTD.) of a shareholder who is an advisor of the Company. Fair value of swapped return and fair value of acquired return are not equal. Such variance is recognized as share-based payments.

Fair value measurement

The Company has measured share-based payments by fair value of external advisor service fee referenced with the estimated fair value of equity securities as at granted date calculated by a financial advisor under (Discounted Cash Flow Approach : DCF) equal to (Cost of Equity : Ke) or (Return on Equity) . Value is calculated by performance and profitability in the future by model theory in Capital Asset Pricing Model (CAPM) which has significant assumption as risk free return using return of 30 years of government bond as at June 30, 2018 at the rate 3.60 % per annum and market return at the rate 13.45 % per annum referenced by retroactive return of stock market from the inception. Beta is equal to 1.07 which is average beta of the Company comparing with data in the same industry from June 30, 2016 until June 30, 2018.

Fair value of swapped share and fair value of acquired share as at the granted date and the number of shares are summarized as follows.

| Granted date | Fair value of swapped return (Baht per share) | Fair value of acquired return (Baht per share) | Number of shares |
|-----------------|---|--|------------------|
| October 1, 2018 | 2,043.05 | 100.00 | 9,096 |

The Company records share-based payments Baht 17.67 million as Surplus on share-based payment in shareholder’s equity.

32. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting no.2/2021 held on February 24, 2021, the Company passes resolution to pay dividend to shareholders from, performance of the year 2020 at the rate Baht 0.09 per share amount of 430 million shares total amount of Baht 38.70 million.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements were already approved by the authorized Director on February 24, 2021.

Sign Directors

(Mr.Boonsak Kiatjaroonlert Mr.Kiattichai Song-In)