

Independent Auditor's Report

To the Shareholders of Pacific Pipe Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Pacific Pipe Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Pacific Pipe Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Pipe Public Company Limited and its subsidiaries and of Pacific Pipe Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition from sales transactions

Revenue from sales transactions is one of the significant account of the Group since sales directly affect to the profit and loss for the year. In addition, the Group has numerous customers in various businesses and categories. I have therefore focused on auditing the revenue from sales recognition and in particular on the timing of revenue recognition.

I assessed and tested the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I examined supporting documents for sales transactions occurring during the year and sales transactions occurred near to the end of the accounting period. I also reviewed credit notes that the Group issued after period end and performed analytical procedures on sales account.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in Note 10 to the financial statements, is an area requiring management judgement. In addition, major products of the Group are hot-rolled coil and steel pipes which cost of raw material are fluctuated depends on market prices. There is therefore a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed the method and gained an understanding of the basis applied in determining the provision for diminution in value of inventory, reviewed the consistency of the application of that basis, performed a comparison of gross profit rate and compared proceeds from sales transactions occurring after the period end and trends in steel prices after the date of the financial statements with the cost of inventory.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Wtee K.

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 19 February 2021

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	267,246,691	282,048,479	252,789,064	263,870,669
Trade and other receivables	9	746,828,493	915,826,458	747,037,526	919,614,281
Unbilled receivables		-	9,332,831	-	9,332,831
Inventories	10	1,459,916,556	1,312,632,846	1,459,916,556	1,312,632,846
Advance payment for raw material		245,475,994	17,789,629	245,475,994	17,789,629
Other current assets		13,243,742	17,565,439	13,243,742	17,565,439
Total current assets		2,732,711,476	2,555,195,682	2,718,462,882	2,540,805,695
Non-current assets					
Investments in subsidiaries	11	-	-	1,799,460	1,799,460
Property, plant and equipment	12	1,769,403,258	1,808,842,209	1,769,403,258	1,808,842,209
Intangible assets	13	37,972,478	25,634,513	37,972,478	25,634,513
Other non-current assets		399,546	693,910	399,546	693,910
Total non-current assets		1,807,775,282	1,835,170,632	1,809,574,742	1,836,970,092
Total assets		4,540,486,758	4,390,366,314	4,528,037,624	4,377,775,787

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

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	1,688,291,027	1,614,522,350	1,688,291,027	1,614,522,350
Trade and other payables	15	114,530,326	146,789,672	114,510,207	146,789,472
Current portion of lease liabilities	16	8,546,540	-	8,546,540	-
Income tax payable		35,077,247	2,774,783	35,077,247	2,723,658
Other current liabilities		15,787,825	25,322,332	15,787,825	25,321,159
Total current liabilities		1,862,232,965	1,789,409,137	1,862,212,846	1,789,356,639
Non-current liabilities					
Lease liabilities - net of current portion	16	43,981,189	-	43,981,189	-
Deferred tax liabilities	20	108,813,987	106,340,353	106,360,913	103,887,280
Provision for long-term employee benefits	17	34,778,479	32,813,478	34,778,479	32,813,478
Other non-current liabilities		-	2,858,935	-	2,858,935
Total non-current liabilities		187,573,655	142,012,766	185,120,581	139,559,693
Total liabilities		2,049,806,620	1,931,421,903	2,047,333,427	1,928,916,332
Shareholders' equity					
Share capital					
Registered					
660,000,000 ordinary shares of Baht 1 each		660,000,000	660,000,000	660,000,000	660,000,000
Issued and fully paid up					
660,000,000 ordinary shares of Baht 1 each		660,000,000	660,000,000	660,000,000	660,000,000
Share premium					
Share premium on ordinary shares		514,845,000	514,845,000	514,845,000	514,845,000
Surplus on treasury shares		1,010,911	1,010,911	1,010,911	1,010,911
Retained earnings					
Appropriated - statutory reserve	18	67,000,000	67,000,000	67,000,000	67,000,000
Unappropriated		855,662,338	830,806,611	845,686,397	820,721,655
Other components of shareholders' equity		392,161,889	385,281,889	392,161,889	385,281,889
Total shareholders' equity		2,490,680,138	2,458,944,411	2,480,704,197	2,448,859,455
Total liabilities and shareholders' equity		4,540,486,758	4,390,366,314	4,528,037,624	4,377,775,787
		-	-	-	-

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

Directors

Pacific Pipe Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and service income		7,299,542,785	9,243,678,975	7,299,542,785	9,013,948,129
Exchange gains		3,942,027	2,200,742	3,942,027	2,200,742
Dividend income	11	-	-	-	290,681,587
Other income		82,195,410	89,221,646	82,194,192	86,815,922
Total revenues		7,385,680,222	9,335,101,363	7,385,679,004	9,393,646,380
Expenses					
Cost of sales and services		6,660,524,913	8,724,260,125	6,660,524,913	8,525,408,359
Selling and distribution expenses		155,716,123	178,841,956	155,716,123	191,785,223
Administrative expenses		278,509,935	286,556,496	278,385,813	264,498,487
Total expenses		7,094,750,971	9,189,658,577	7,094,626,849	8,981,692,069
Operating profit		290,929,251	145,442,786	291,052,155	411,954,311
Finance income		757,898	1,843,431	729,500	828,074
Finance cost		(38,054,185)	(56,037,348)	(38,042,355)	(54,650,097)
Profit before income tax expenses		253,632,964	91,248,869	253,739,300	358,132,288
Income tax expenses	20	(50,619,546)	(19,732,019)	(50,616,867)	(13,454,296)
Profit for the year		203,013,418	71,516,850	203,122,433	344,677,992
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains (losses)	17	52,886	-	52,886	(1,309,892)
Changes in surplus on revaluation of assets	12	8,600,000	-	8,600,000	-
Total		8,652,886	-	8,652,886	(1,309,892)
Less: Income tax effect	20	(1,730,577)	-	(1,730,577)	261,979
Other comprehensive income net to be reclassified to profit or loss in subsequent periods - net of income tax		6,922,309	-	6,922,309	(1,047,913)
Other comprehensive income for the year		6,922,309	-	6,922,309	(1,047,913)
Total comprehensive income for the year		209,935,727	71,516,850	210,044,742	343,630,079
Earnings per share					
21					
Basic earnings per share					
Profit for the year		0.31	0.11	0.31	0.52

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

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements

	Issued and fully paid-up share capital	Share		Surplus on treasury shares	Retained earnings		Other components of equity		Total shareholders' equity
		premium on ordinary shares	ordinary shares		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Surplus on revaluation of assets	
Balance as at 1 January 2019	660,000,000	514,845,000	1,010,911	67,000,000	792,337,965	385,281,889	2,420,475,765		
Profit for the year	-	-	-	-	71,516,850	-	71,516,850		
Other comprehensive income for the year	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	71,516,850	-	71,516,850		
Dividend paid (Note 24)	-	-	-	-	(33,048,204)	-	(33,048,204)		
Balance as at 31 December 2019	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>830,806,611</u>	<u>385,281,889</u>	<u>2,458,944,411</u>		
Balance as at 1 January 2020	660,000,000	514,845,000	1,010,911	67,000,000	830,806,611	385,281,889	2,458,944,411		
Profit for the year	-	-	-	-	203,013,418	-	203,013,418		
Other comprehensive income for the year	-	-	-	-	42,309	6,880,000	6,922,309		
Total comprehensive income for the year	-	-	-	-	203,055,727	6,880,000	209,935,727		
Dividend paid (Note 24)	-	-	-	-	(178,200,000)	-	(178,200,000)		
Balance as at 31 December 2020	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>855,662,338</u>	<u>392,161,889</u>	<u>2,490,680,138</u>		

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

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium on ordinary shares		Surplus on treasury shares	Retained earnings		Other components of equity		Total shareholders' equity
		ordinary shares	premium on		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Surplus on revaluation of assets	
Balance as at 1 January 2019	660,000,000	514,845,000	-	1,010,911	67,000,000	510,091,576	385,281,889	-	2,138,229,376
Profit for the year	-	-	-	-	-	344,677,992	-	-	344,677,992
Other comprehensive income for the year	-	-	-	-	-	(1,047,913)	-	-	(1,047,913)
Total comprehensive income for the year	-	-	-	-	-	343,630,079	-	-	343,630,079
Dividend paid (Note 24)	-	-	-	-	-	(33,000,000)	-	-	(33,000,000)
Balance as at 31 December 2019	660,000,000	514,845,000	-	1,010,911	67,000,000	820,721,655	385,281,889	-	2,448,859,455
Balance as at 1 January 2020	660,000,000	514,845,000	-	1,010,911	67,000,000	820,721,655	385,281,889	-	2,448,859,455
Profit for the year	-	-	-	-	-	203,122,433	-	-	203,122,433
Other comprehensive income for the year	-	-	-	-	-	42,309	6,880,000	-	6,922,309
Total comprehensive income for the year	-	-	-	-	-	203,164,742	6,880,000	-	210,044,742
Dividend paid (Note 24)	-	-	-	-	-	(178,200,000)	-	-	(178,200,000)
Balance as at 31 December 2020	660,000,000	514,845,000	-	1,010,911	67,000,000	845,686,397	392,161,889	-	2,480,704,197

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

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	253,632,964	91,248,869	253,739,300	358,132,288
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	137,874,776	134,261,873	137,874,776	125,813,622
Bad debts	5,830,193	913,461	5,830,193	394,761
Expected credit losses/Doubtful accounts	14,177,814	15,870,875	14,177,814	3,516,240
Reduction (reversal) of inventory cost to net realisable value	(27,211,704)	5,178,884	(27,211,704)	5,819,576
Reversal of allowance for impairment of advance payments for raw material	-	(1,780,671)	-	(1,780,671)
Loss on disposals/write-off of plant and equipment	594,334	662,332	594,334	170,128
Impairment loss on land	1,159,000	-	1,159,000	-
Provision for long-term employee benefits	3,413,487	12,994,533	3,413,487	12,004,088
Deferred rental expenses (write-off)	(2,858,935)	327,943	(2,858,935)	327,943
Unrealised losses (gains) on exchange	(252,592)	276,864	(252,592)	276,864
Dividend income	-	-	-	(290,681,587)
Finance income	(757,898)	(1,843,431)	(729,500)	(828,074)
Interest expenses	37,420,036	54,119,091	37,420,036	52,828,365
Profit from operating activities before changes in operating assets and liabilities	423,021,475	312,230,623	423,156,209	265,993,543
Operating assets (increase) decrease				
Trade and other receivables	148,989,958	110,645,763	152,568,748	(202,172,936)
Unbilled receivables	9,332,831	(9,332,831)	9,332,831	(9,332,831)
Inventories	(120,072,006)	183,756,761	(120,072,006)	116,320,169
Advance payment for raw material	(227,686,365)	84,592,684	(227,686,365)	78,193,661
Other current assets	4,925,990	(11,201,983)	4,979,793	(10,947,333)
Operating liabilities increase (decrease)				
Trade and other payables	(36,515,719)	22,803,873	(36,535,639)	31,063,024
Other current liabilities	(9,534,507)	(7,623,066)	(9,533,334)	1,572,763
Provision for long-term employee benefits	(1,395,600)	(11,231,324)	(1,395,600)	(11,231,324)
Cash flows from operating activities	191,066,057	674,640,500	194,814,637	259,458,736
Interest paid	(38,260,429)	(54,739,131)	(38,260,429)	(53,227,366)
Corporate income tax paid	(17,879,005)	(27,754,477)	(17,879,005)	(18,989,996)
Net cash flows from operating activities	134,926,623	592,146,892	138,675,203	187,241,374

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

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Acquisition of plant and equipment	(35,115,397)	(79,550,412)	(35,115,397)	(78,713,923)
Proceeds from sales of equipment	663,413	-	663,413	-
Acquisition of intangible assets	(5,325,000)	(4,949)	(5,325,000)	(4,949)
Cash paid for the entire business transfer of subsidiaries	-	-	-	(134,391,978)
Capital return from subsidiaries	-	-	-	109,196,640
Dividend received	-	-	-	290,681,587
Interest received	752,950	1,839,525	724,553	824,168
Net cash flows from (used in) investing activities	<u>(39,024,034)</u>	<u>(77,715,836)</u>	<u>(39,052,431)</u>	<u>187,591,545</u>
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	7,226,639,150	8,263,309,753	7,226,639,150	8,149,149,087
Cash paid for short-term loans from financial institutions	(7,152,617,693)	(8,841,647,812)	(7,152,617,693)	(8,564,081,144)
Payments of principle portion of lease liabilities	(6,525,834)	-	(6,525,834)	-
Dividend paid	<u>(178,200,000)</u>	<u>(33,048,204)</u>	<u>(178,200,000)</u>	<u>(33,000,000)</u>
Net cash flows from (used in) financing activities	<u>(110,704,377)</u>	<u>(611,386,263)</u>	<u>(110,704,377)</u>	<u>(447,932,057)</u>
Net decrease in cash and cash equivalents	(14,801,788)	(96,955,207)	(11,081,605)	(73,099,138)
Cash and cash equivalents at beginning of year	282,048,479	379,003,686	263,870,669	255,593,868
Cash and cash equivalents of subsidiaries at the date of entire business transfer	-	-	-	81,375,939
Cash and cash equivalents at end of year	<u>267,246,691</u>	<u>282,048,479</u>	<u>252,789,064</u>	<u>263,870,669</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions				
Acquisition of plant and equipment for which no cash has been paid	4,568,578	9,147,050	4,568,578	9,147,050
Acquisition of intangible assets for which no cash has been paid	528,000	-	528,000	-
Transfer equipment to intangible assets	14,565,529	-	14,565,529	-
Addition of right-of-use assets from lease	13,276,752	-	13,276,752	-

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

Pacific Pipe Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Pacific Pipe Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Tang Mong Seng Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in manufacturing and distribution of steel pipes for construction work. The registered office of the Company is at 298, 298/2, Soi Klabcharoen, Suksawat Road, Tambon Pakklongbangplakod, Amphur Phrasamutjedi, Samutprakarn.

1.2 Coronavirus disease 2019 pandemic

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Pacific Pipe Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
Tamose Trading Company Limited	Distribution of steel products	Thailand	99.99	99.99
Meesup Transport Company Limited	Transportation	Thailand	99.97	99.97

On 1 December 2019, the Company acquired the entire business transfer from Tamose Trading Company Limited and Meesup Transport Company Limited at the net book value of their assets and liabilities. The subsidiaries registered their dissolution with the Ministry of Commerce on 4 December 2019 and are currently in the process of liquidation.

- 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 Group has been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Group'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.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

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

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

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

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

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

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of land and impairment of assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 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.

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

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

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

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of this standard are presented as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	31 December 2019	The effect of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current asset			
Property, plant and equipment	1,808,842	45,777	1,854,619
Liabilities and shareholders' equity			
Current liability			
Current portion of lease liabilities	-	6,428	6,428
Non-current liability			
Lease liabilities - net of current portion	-	39,349	39,349

On adoption of TFRS 16, the Group recognised lease liabilities in relation to lease that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Operating lease commitments as at 31 December 2019	70,166
Less: Leases of low-value assets	(40)
Add: Option to extend lease term	3,769
Less: Contracts reassessed as service agreements	(16,675)
Less: Deferred interest expenses	(11,443)
Increase in lease liabilities due to the adoption of TFRS 16	45,777
Liabilities under finance lease agreements as at	
31 December 2019	-
Lease liabilities as at 1 January 2020	45,777
Weighted average incremental borrowing rate (percent per annum)	5.14 - 8.31

(Unit: Thousand Baht)

Consolidated/Separate
financial statements

Comprise of:

Current lease liabilities	6,428
Non-current lease liabilities	39,349
	<u>45,777</u>

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from contract of productions is recognised over time where the stage of completion is measured using the comparison of actual costs incurred up to the end of the period and total anticipated costs at completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Deferred revenue” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Rendering of service

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and conversion raw materials are valued at lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.5 Property, plant and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 20 years
Buildings and building improvement	3 - 20 years
Machinery and factory equipment	2 - 31 years
Office equipment	3 - 10 years
Motor vehicles	2 - 25 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

5.7 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.

The Group as a lessee

Accounting policies adopted since 1 January 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 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	10 - 13 years
Buildings	6 years
Office equipment	3 - 5 years
Motor vehicles	2 - 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.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

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 1 January 2020

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.10 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 and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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 profit or loss. However, in cases where land were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that 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 profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plan

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward 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 utilised.

At each reporting date, the Group reviews and reduce 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 utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Financial instruments

Accounting policies adopted since 1 January 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 (“FVOCI”), 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 profit or loss when the asset is derecognised, modified or impaired.

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 profit or loss 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 profit or loss.

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 profit or loss.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (“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.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with 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

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.

Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates the net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period.

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.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 12 to the financial statements.

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 the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is 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.

7. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 December				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	479	Reference to market price
Rental income	-	-	-	1	Contract price
Service income	-	-	-	1	Contract price
Dividend income	-	-	-	291	As declared
Purchase of goods	-	-	-	37	Reference to market price
Transportation expenses	-	-	-	132	Reference to market price
Acquisition of entire business transfer	-	-	-	134	Contract price
Return of capital	-	-	-	109	As declared
<u>Transactions with related parties</u>					
Office rental and service expenses	4	4	4	4	Contract price
Land rental expenses	5	5	5	5	Contract price

The balances of the accounts as at 31 December 2020 and 2019 between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Other receivables - related parties (Note 9)</u>				
Tamose Trading Company Limited	-	-	210	3,772
Meesup Transport Company Limited	-	-	-	16
Total other receivables - related parties	-	-	210	3,788
<u>Lease liabilities - related parties</u>				
Related companies (related by shareholders)	30,227	-	30,227	-

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	27,901	22,706
Post-employment benefits	557	5,584
Total	<u>28,458</u>	<u>28,290</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	145	295	145	295
Bank deposits	267,102	281,753	252,644	263,576
Total	<u>267,247</u>	<u>282,048</u>	<u>252,789</u>	<u>263,871</u>

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.10 - 0.13 percent per annum (2019: 0.25 - 0.38 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	530,877	630,201	530,877	630,201
Past due				
Up to 3 months	190,253	233,353	190,253	233,353
3 - 6 months	11,566	11,736	11,566	11,736
6 - 12 months	25,520	13,497	25,520	13,497
Over 12 months	40,588	50,034	40,588	50,034
Total	798,804	938,821	798,804	938,821
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(53,152)	(38,974)	(53,152)	(38,974)
Total trade receivables - unrelated parties - net	745,652	899,847	745,652	899,847
Total trade receivables - net	745,652	899,847	745,652	899,847
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	-	-	210	3,788
Other receivables - unrelated parties	1,176	15,979	1,176	15,979
Total other receivables	1,176	15,979	1,386	19,767
Total trade and other receivables - net	746,828	915,826	747,038	919,614

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
As at 1 January 2020	38,974
Provision for expected credit losses	14,178
As at 31 December 2020	53,152

Trade receivables were written off during 2020 amounting to Baht 5.8 million.

10. Inventories

(Unit: Thousand Baht)

	Consolidated/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	854,204	859,723	(5,111)	(29,534)	849,093	830,189
Conversion raw materials	114,891	102,140	-	-	114,891	102,140
Raw materials	478,224	360,632	(122)	(2,911)	478,102	357,721
Factory supplies and others	17,831	22,583	-	-	17,831	22,583
Total	1,465,150	1,345,078	(5,233)	(32,445)	1,459,917	1,312,633

During the current year, the Group reversed the write-down of cost of inventories by Baht 27.2 million (the Company only: Baht 27.2 million), and reduced the amount of inventories recognised as expenses during the year (2019: the Group reduced cost of inventories by Baht 5.2 million (the Company only: Baht 5.8 million), to reflect the net realisable value, which was included in cost of sales).

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
Tamose Trading Company Limited	-	-	99.99	99.99	-	-	-	167,999
Meesup Transport Company Limited	-	-	99.97	99.97	1,799	1,799	-	122,683
Total					1,799	1,799	-	290,682

On 16 September 2019, the Extraordinary General Shareholders' meeting of the Company passed a resolution approving the entire business transfer of two subsidiaries; namely, Tamose Trading Company Limited and Meesup Transport Company Limited, in which the Company has shareholdings of 99.99 percent and 99.97 percent, respectively.

On 1 December 2019, the Company acquired the entire business transfer of Tamose Trading Company Limited and Meesup Transport Company Limited at the net book value of their assets and liabilities as follows.

	(Unit: Thousand Baht)		
	Tamose Trading Company Limited	Meesup Transport Company Limited	Total
Assets			
Cash and cash equivalents	75,986	5,390	81,376
Trade and other receivables	44,795	1,444	46,239
Other current assets	554	445	999
Motor vehicles and equipment	3,263	35,978	39,241
Intangible assets	-	9	9
Deferred tax assets	5,035	438	5,473
Other non-current assets	524	-	524
Total assets	130,157	43,704	173,861
Liabilities			
Trade and other payables	1,719	25,256	26,975
Income tax payable	1,204	1,520	2,724
Other current liabilities	7,454	80	7,534
Provision for long-term employee benefits	1	2,235	2,236
Total liabilities	10,378	29,091	39,469
Net assets	119,779	14,613	134,392

On 4 December 2019, the Extraordinary General Shareholders' meeting of Tamose Trading Company Limited and Meesup Transport Company Limited approved the dissolution. The companies registered their dissolution with the Ministry of Commerce on 4 December 2019.

On 24 December 2019, the Company received the capital return from Tamose Trading Company Limited amounting to Baht 100 million and Meesup Transport Company Limited amounting to Baht 9 million.

Currently, Tamose Trading Company Limited and Meesup Transport Company Limited are in the process of liquidation.

12. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Net book value:		
Property, plant and equipment	1,718,776	1,808,842
Right-of-use assets (Note 16)	50,627	-
Total	1,769,403	1,808,842

The Group arranged for an independent professional valuer to appraise the value of land in 2020, using the market approach. Land were measured at fair value using level 3 input.

Key assumptions used in the valuation are summarised below:

	Consolidated/Separate financial statements	Result to fair value where as an increase in assumption value
Price per square wah (Thousand Baht)	7.9 - 35.0	Increase in fair value

Details of land carried at its revalued amount is as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Original cost	259,860	259,860
Revaluation	490,202	481,602
Impairment	(1,159)	-
Revalued amount	<u>748,903</u>	<u>741,462</u>

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend payment.

As at 31 December 2020, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 781 million (2019: Baht 654 million) (the Company only: Baht 781 million, 2019: Baht 654 million).

13. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Computer software - at cost	93,743	73,325
Less: Accumulated amortisation	(55,771)	(47,690)
Net book value	<u>37,972</u>	<u>25,635</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	25,635	28,113	25,635	28,100
Acquisition of computer software	5,853	24	5,853	24
Transfer from property, plant and equipment (Note 12)	14,565	3,712	14,565	3,712
Increase from the entire business transfer of subsidiaries	-	-	-	9
Amortisation	(8,081)	(6,214)	(8,081)	(6,210)
Net book value at end of year	<u>37,972</u>	<u>25,635</u>	<u>37,972</u>	<u>25,635</u>

14. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate		Consolidated/Separate	
	(Percent per annum)		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term loans from financial institutions	1.55 - 1.67	2.02 - 2.51	713,416	1,532,299
Trust receipt	1.47 - 2.32	3.10	974,875	82,223
			<u>1,688,291</u>	<u>1,614,522</u>

The credit facilities agreement with the banks contain financial covenants that, among other things, maintain certain debt to equity ratios according to the agreement and required the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks.

As at 31 December 2020, the credit facilities of the Company which have not yet been drawn down amounting to Baht 3,536 million (2019: Baht 3,810 million).

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - unrelated parties	27,670	70,404	27,670	70,404
Other payables - unrelated parties	50,179	43,783	50,159	43,783
Accrued expenses	36,681	32,603	36,681	32,602
Total trade and other payables	<u>114,530</u>	<u>146,790</u>	<u>114,510</u>	<u>146,789</u>

16. Leases

16.1 The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases generally have lease terms between 2 - 13 years. The lease contracts cannot be cancelled and prohibit sub-leasing or use of the underlying assets by another party.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements				
	Land	Buildings	Office		Total
			equipment	Motor vehicles	
1 January 2020	33,414	5,943	1,089	5,331	45,777
Additions	-	11,829	-	1,458	13,277
Depreciation for the year	(4,685)	(1,064)	(415)	(2,263)	(8,427)
31 December 2020	<u>28,729</u>	<u>16,698</u>	<u>674</u>	<u>4,526</u>	<u>50,627</u>

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Lease payments	63,236	-
Less: Deferred interest expenses	(10,708)	-
Total	52,528	-
Less: Portion due within one year	(8,547)	-
Lease liabilities - net of current portion	<u>43,981</u>	<u>-</u>

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated/Separate financial statements	
Depreciation expense of right-of-use assets		8,427
Interest expense on lease liabilities		2,901
Expense relating to leases of low-value assets		24

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 9.5 million, including the cash outflow related to leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 13.3 million.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits				
at beginning of year	32,813	31,050	32,813	28,494
Included in profit or loss:				
Current service cost	2,495	2,681	2,495	2,414
Interest cost	918	1,065	918	991
Past service cost	-	9,248	-	8,599
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumptions changes	1,991	-	1,991	-
Financial assumption changes	1,088	-	1,088	-
Experience adjustments	(3,132)	-	(3,132)	-
Transferred from the subsidiary during the year	-	-	-	1,310
Benefits paid during the year	(1,395)	(11,231)	(1,395)	(11,231)
Increase from the entire business transfer of subsidiaries	-	-	-	2,236
Provision for long-term employee benefits				
at end of year	<u>34,778</u>	<u>32,813</u>	<u>34,778</u>	<u>32,813</u>

The Company expects to pay Baht 5 million of long-term employee benefits during the next year (2019: Baht 1 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2019: 12 - 17 years) (the Company only: 14 years, 2019: 12 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.68	2.80 - 3.17	1.68	2.80 - 3.17
Future salary increase rate	4	4 - 5	4	4 - 5
Staff turnover rate (depending on age)	3.34 - 40.11	2.87 - 45.84	3.34 - 40.11	2.87 - 45.84

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Million Baht)

As at 31 December 2020		
Consolidated/Separate financial statements		
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3.4)	4.0
Salary increase rate	3.8	(3.3)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(3.6)	4.6

(Unit: Million Baht)

As at 31 December 2019				
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3.1)	3.6	(3.1)	3.1
Salary increase rate	3.3	(2.9)	3.3	(2.5)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(3.5)	4.5	(3.5)	4.0

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	358,161	353,944	358,038	302,988
Depreciation and amortisation expenses	137,875	134,262	137,875	125,814
Transportation expenses	37,210	58,528	37,210	139,235
Raw materials and consumables used	6,057,564	7,313,891	6,057,564	7,308,984
Changes in inventories of finished goods	147,284	59,667	147,284	(4,103)

20. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	50,233	24,968	50,233	18,477
Adjustment in respect of income tax of previous year	(356)	5	(359)	11
Deferred tax:				
Relating to origination and reversal of temporary differences	743	(5,241)	743	(5,034)
Income tax expenses reported in profit or loss	<u>50,620</u>	<u>19,732</u>	<u>50,617</u>	<u>13,454</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on actuarial gains and losses	(11)	-	(11)	262
Deferred tax on gains from revaluation of land	(1,720)	-	(1,720)	-
	<u>(1,731)</u>	<u>-</u>	<u>(1,731)</u>	<u>262</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>253,633</u>	<u>91,249</u>	<u>253,739</u>	<u>358,132</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	50,727	18,250	50,748	71,626
Adjustment in respect of income tax of previous year	(356)	5	(359)	11
Effects of:				
Non-deductible expenses	1,602	757	1,602	499
Additional expense deductions allowed	(1,492)	(1,996)	(1,492)	(905)
Dividend income from subsidiaries	-	-	-	(58,136)
Others	139	2,716	118	359
Total	<u>249</u>	<u>1,477</u>	<u>228</u>	<u>(58,183)</u>
Income tax expenses reported in profit or loss	<u>50,620</u>	<u>19,732</u>	<u>50,617</u>	<u>13,454</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for excepted credit losses				
(2019: Allowance for doubtful accounts)	10,630	7,921	10,630	7,921
Allowance for diminution in value of inventories	1,047	6,489	1,047	6,489
Land rental	-	572	-	572
Allowance for impairment loss on land	232	-	232	-
Gain on capital investment in subsidiaries	-	-	2,453	2,453
Provision for long-term employee benefits	6,955	6,554	6,955	6,554
Total	18,864	21,536	21,317	23,989
Deferred tax liabilities				
Difference depreciation between tax and accounting base	29,638	31,556	29,638	31,556
Surplus on revaluation of land	98,040	96,320	98,040	96,320
Total	127,678	127,876	127,678	127,876
Presentation in the statements of financial position				
Deferred tax liabilities	108,814	106,340	106,361	103,887

21. Earnings per share

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

22. Segment information

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

The one main reportable operating segment of the Group is the manufacture and distribution of steel pipes, structural steels and contract of steel productions for construction work and the main single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

23. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Group contributes to the fund monthly at the rate of 5 percent of basic salary. The fund will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2020 amounting to approximately Baht 3.1 million were recognised as expense (2019: Baht 2.8 million).

24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht/share)
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	33.0	0.05
Total for 2019		33.0	0.05
Final dividends for 2019	Annual General Meeting of the shareholders on 22 April 2020	178.2	0.27
Total for 2020		178.2	0.27

25. Commitments and contingent liabilities

25.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 1.8 million (2019: Baht 1.8 million), relating to the computer system development and acquisition of equipment.

25.2 Letters of credit

As at 31 December 2020, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 4.9 million (2019: USD 8.6 million).

25.3 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 16 million (2019: Baht 16 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These included letters of guarantee to guarantee as follows:

	(Unit: Million Baht)	
	2020	2019
Guarantee electricity use	15	15
Guarantee as an AEO authorised importer and/or exporter to the Customs Department	1	1

26. Financial instruments

26.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term loans from financial institutions and trade and other payable. 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 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 and the Group considers mitigating risk by, for example, requiring collateral from a bank or arranging debtor insurance. 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 provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, and coverage by other forms of credit insurance. Other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. 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. Generally, trade receivables are written-off if past due for more than one year and subject to enforcement activity.

Market risk

Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to its purchasing transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2020 and 2019, the Group has financial assets and financial liabilities denominated in foreign currencies which mature within one year and are unhedged for the foreign currency risk as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	1.06	2.71	29.9497	30.0645

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by borrowings at short-term loans that carry fixed interest rates.

As at 31 December 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: Million Baht)					
2020					
Consolidated financial statements	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	-	267	-	267	0.10 - 0.13
Trade and other receivables	-	-	747	747	-
	-	267	747	1,014	
<u>Financial liabilities</u>					
Short-term loans from financial institutions					
	1,688	-	-	1,688	1.47 - 2.32
Trade and other payables	-	-	115	115	-
	1,688	-	115	1,803	
(Unit: Million Baht)					
2019					
Consolidated financial statements	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	-	282	-	282	0.25 - 0.38
Trade and other receivables	-	-	916	916	-
	-	282	916	1,198	
<u>Financial liabilities</u>					
Short-term loans from financial institutions					
	1,615	-	-	1,615	2.02 - 3.10
Trade and other payables	-	-	147	147	-
	1,615	-	147	1,762	

(Unit: Million Baht)

Separate financial statements	2020				Effective interest rate (% per annum)
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	
<u>Financial assets</u>					
Cash and cash equivalents	-	253	-	253	0.10 - 0.13
Trade and other receivables	-	-	747	747	-
	-	253	747	1,000	
<u>Financial liabilities</u>					
Short-term loans from financial institutions	1,688	-	-	1,688	1.47 - 2.32
Trade and other payables	-	-	115	115	-
	1,688	-	115	1,803	

(Unit: Million Baht)

Separate financial statements	2019				Effective interest rate (% per annum)
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	
<u>Financial assets</u>					
Cash and cash equivalents	-	264	-	264	0.25 - 0.38
Trade and other receivables	-	-	920	920	-
	-	264	920	1,184	
<u>Financial liabilities</u>					
Short-term loans from financial institutions	1,615	-	-	1,615	2.02 - 3.10
Trade and other payables	-	-	147	147	-
	1,615	-	147	1,762	

Liquidity risk

The Group monitors liquidity risk through the use of short-term loans from financial institutions. As at 31 December 2020, the Company has undrawn credit facilities from several banks, as described in Note 14 and consequently has sufficient working capital.

26.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

27. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.82:1 (2019: 0.79:1) and the Company's was 0.83:1 (2019: 0.79:1).

28. Events after the reporting period

On 19 February 2021, the Company's Board of Directors meeting approved for payment of a dividend to the shareholders of Baht 0.18 per share, or a total of Baht 118.80 million. However, this resolution will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for the fiscal year 2021.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.