

Union Plastic Public Company Limited

Notes to financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Union Plastic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, a company listed on the Stock Exchange of Thailand. The Company is principally engaged in the manufacture and distribution of thermoplastics. The Company is also engaged in the contract manufacture and repair of molds. The registered office of the Company is at 11/1 Soi Serithai 62, Minburi Sub-district, Minburi District, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic impacts the automotive industry, result in a decrease in the Company’s orders from customers, which impacts the Company’s financial position, operating results, and cash flows at present, and it is expected to do so in the future. However, the Company’s management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to reasonable estimation.

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 The separate financial statements present investment in associate under the cost method.

3. New financial reporting standards

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The Company has adopted these standards by recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings or other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

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

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.

This standard does not have any significant impact on the Company'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 Company 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 Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings or other components of shareholders' equity 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 these standards are presented as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	100,000	(100,000)	-
Other current financial assets	-	100,000	100,000
Non-current assets			
Restricted investments	13,116	(13,116)	-
Restricted financial assets	-	13,116	13,116
Other non-current financial assets	-	103,328	103,328
Other long-term investments	20,002	(20,002)	-
Liabilities and shareholders' equity			
Non-current liabilities			
Deferred tax liabilities	-	20,666	20,666
Shareholders' equity			
Retained earnings (deficit) - unappropriated	(14,952)	-	(14,952)
Other components of shareholders' equity	-	62,660	62,660

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	100,000	(100,000)	-
Other current financial assets	-	100,000	100,000
Non-current assets			
Restricted investments	13,116	(13,116)	-
Restricted financial assets	-	13,116	13,116
Other non-current financial assets	-	103,328	103,328
Other long-term investments	20,002	(20,002)	-
Liabilities and shareholders' equity			
Non-current liabilities			
Deferred tax liabilities	-	20,666	20,666
Shareholders' equity			
Retained earnings (deficit) - unappropriated	(23,207)	-	(23,207)
Other components of shareholders' equity	-	62,660	62,660

4.1 Financial instruments

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

	(Unit: Thousand Baht)
	Financial statements in which the equity method is applied/ Separate financial statements
Fair value measurement of investments in equity instruments of non-listed companies - net of income tax	62,660
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	62,660

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

Carrying amounts under the former basis	Financial statements in which the equity method is applied/Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Fair value through profit or loss	Fair value through other comprehensive income		Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	136,185	-	-	136,185	136,185
Trade and other receivables	77,787	-	-	77,787	77,787
Current investments	100,000	-	-	100,000	100,000
Restricted investments	13,116	-	-	13,116	13,116
Other long-term investments	20,002	-	103,328	-	103,328
Total financial assets	347,090	-	103,328	327,088	430,416

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

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 on 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.

Rendering of services

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. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

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 bank, 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 work in process are valued at the lower of cost (under the 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, spare parts and factory supplies are valued at the lower of cost under the first-in, first-out method and net realisable value and are charged to production costs whenever consumed.

5.4 Investment in associate

Investment in associate is accounted for in the financial statements in which the equity method is applied using the equity method.

Investment in associate is accounted for in the separate financial statements using the cost method.

5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

5.6 Property, plant and equipment/Depreciation

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

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

Buildings and building improvement	-	5, 10 and 20 years
Machinery and equipment	-	5 and 10 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation of molds acquired before 2015 is calculated by reference to their costs on the straight-line basis over the 5 years useful live while depreciation of molds acquired since 2015 is calculated by unit of production which has 2 years estimated useful lives.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and 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.

5.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any 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 for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible asset is computer software with finite useful lives of 3 years.

5.8 Leases

At inception of contract, the Company 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 Company as a lessee

Accounting policies adopted since 1 January 2020

The Company 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 Company 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 or the revalued amount, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Motor vehicles	5	years
Equipment	13	months

If ownership of the leased asset is transferred to the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a 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.

The Company as a lessor

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.

5.9 Related party transactions

Related parties comprise individuals or enterprises 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.

5.10 Foreign currencies

The financial statements in which the equity method is applied and the 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.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Company performs an impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties or 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.

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plans. The Company treats these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plans 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 Company recognises restructuring-related costs.

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are payable to pay employee benefits obligation directly.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price.

5.13 Provisions

Provisions are recognised when the Company 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.

5.14 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 Company recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Company 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 utilised.

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

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Company 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 and fair value through other comprehensive income (“FVOCI”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company 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.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

At initial recognition the Company’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 Company 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 Company has

transferred substantially all the risks and rewards of the asset, or the Company 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

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss (“FVTPL”). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company 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.

Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

5.16 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 Company applies a quoted market price in an active market to measure its 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 Company 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 observable 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 Company 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:

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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

(Unit: Million Baht)

	Financial statements				Transfer Pricing Policy
	in which the equity method is applied		Separate financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with related companies</u> (related by common shareholders)					
Sales of goods and services	59	98	59	98	Cost plus margin
Other income	3	2	3	2	Cost plus margin
Rental income	10	4	10	4	Contract price
Dividend income	36	37	37	38	As declared
Purchases of goods and raw material	10	15	10	15	Cost plus margin of related companies
Paid benefits of transferred employees	3	1	3	1	As declared

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Trade and other receivables - related parties (Note 10)		
Related companies (related by common shareholders)	9,125	16,585
Total trade and other receivables - related parties	<u>9,125</u>	<u>16,585</u>
Trade and other payables - related parties (Note 20)		
Related companies (related by common shareholders)	2,044	2,501
Total trade and other payables - related parties	<u>2,044</u>	<u>2,501</u>

Directors and management's benefits

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	10,299	10,983
Post-employment benefits	733	1,613
Total	<u>11,032</u>	<u>12,596</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Cash	50	50
Bank deposits	79,191	136,135
Total	<u>79,241</u>	<u>136,185</u>

As at 31 December 2020, bank deposits in saving accounts carried interests at a rate of 0.125 percent per annum (2019: bank deposits in saving accounts and fixed account carried interests at rates of 0.375 - 1.00 percent per annum).

9. Current investments

As at 31 December 2019, the investments represented fixed deposits with original maturities of 6 and 12 months amounting to Baht 50 million and Baht 50 million, respectively, and they carried interests between 1.60 and 1.65 percent per annum.

10. Trade and other receivables

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	9,025	16,473
Total trade receivables - related parties	<u>9,025</u>	<u>16,473</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	59,585	60,831
Total trade receivables - unrelated parties	<u>59,585</u>	<u>60,831</u>
Total trade receivables	<u>68,610</u>	<u>77,304</u>
<u>Other receivables</u>		
Amounts due from related parties	100	112
Others	175	371
Total other receivables	<u>275</u>	<u>483</u>
Total trade and other receivables	<u>68,885</u>	<u>77,787</u>

11. Inventories

(Unit: Thousand Baht)

Financial statements in which the equity method is applied/

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	7,285	10,624	(1,087)	(1,398)	6,198	9,226
Work in process	4,482	29,912	(314)	(249)	4,168	29,663
Raw materials	16,329	11,554	(324)	(1,420)	16,005	10,134
Spare parts and factory supplies	12,659	9,783	(1,732)	(1,751)	10,927	8,032
Total	40,755	61,873	(3,457)	(4,818)	37,298	57,055

During the current year, the Company reduced cost of inventories by Baht 1.7 million (2019: Baht 1.6 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 3.1 million (2019: Baht 1.5 million) and reduced the amount of inventories recognised as expenses during the year.

12. Other current financial assets

As at 31 December 2020, other current financial assets are summarised below.

(Unit: Thousand Baht)

Financial statements in which
the equity method is applied/
Separate financial statements

<u>Debt instruments designated at amortised cost</u>	
Fixed deposits - 6 months	50,000
Fixed deposits - 7 months	70,000
Total other current financial assets	120,000

13. Restricted investments/Restricted financial assets

The balance represents investments in government bonds, debt instruments designated at amortised cost, which are pledged as collateral to secure electricity use.

14. Other long-term investment/Other non-current financial assets

As at 31 December 2019, other long-term investment was summarised below.

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied/ Separate financial statements		
	Shareholding percentage (%)	Investment value	Dividend received during the year
Union Nifco Co., Ltd.	19.99	20,002	36,776
Total		20,002	36,776

As at 31 December 2020, other non-current financial assets are summarised below.

(Unit: Thousand Baht)

Company's name	Shareholding percentage (%)	Cost	Financial statements in which the equity method is applied/Separate financial statements		
			Carrying amount as at 1 January 2020	Loss on measurement of investment in equity instrument	Carrying amount as at 31 December 2020
Union Nifco Co., Ltd.	19.99	20,002	103,328	(31,264)	72,064
Total		20,002	103,328	(31,264)	72,064

During the current year, the Company received dividend from this investment amounting to Baht 36 million.

The non-listed equity investment has designated at FVOCI since the Company considered this investment to be strategic in nature.

15. Investment in associate

15.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
			31 December 2020	31 December 2019	Carrying amounts based on equity method		Carrying amounts based on cost method	
			(%)	(%)	December 2020	December 2019	December 2020	December 2019
P.S.V. Mould Co., Ltd.	Manufacture and sales of molds	Thailand	25	25	10,699	10,755	2,500	2,500
Total					10,699	10,755	2,500	2,500

15.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit of the associate company in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit of the associate during the year		Dividend received during the year	
	2020	2019	2020	2019
P.S.V. Mould Co., Ltd.	157	419	212	1,250
Total	157	419	212	1,250

15.3 Summarised financial information about material associate

Summarised information about financial position as at 31 December

	(Unit: Million Baht)	
	P.S.V. Mould Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Current assets	22.1	24.7
Non-current assets	34.3	37.3
Current liabilities	(5.3)	(9.0)
Non-current liabilities	(8.7)	(10.3)
Net assets	42.4	42.7
Shareholding percentage	25%	25%
Carrying amounts of associate based on equity method	<u>10.6</u>	<u>10.7</u>

Summarised information about comprehensive income for the years ended 31 December

	(Unit: Million Baht)	
	P.S.V. Mould Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Revenue	38.2	42.6
Profit	0.6	1.7
Other comprehensive income	-	-
Total comprehensive income	0.6	1.7

16. Investment properties

The net book value of investment properties is presented below.

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied/ Separate financial statements		
	Land for rent	Buildings and structures for rent	Total
31 December 2020			
Cost	6,677	5,338	12,015
<u>Less</u> Accumulated depreciation	-	(4,280)	(4,280)
Net book value	<u>6,677</u>	<u>1,058</u>	<u>7,735</u>
31 December 2019			
Cost	3,738	-	3,738
Net book value	<u>3,738</u>	<u>-</u>	<u>3,738</u>

A reconciliation of the net book value of investment properties is presented below.

(Unit: Thousand Baht)

Financial statements in which the equity method
is applied/Separate financial statements

	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	3,738	3,738
Transfers (Note 17)	4,047	-
Depreciation	(50)	-
Net book value at end of year	<u>7,735</u>	<u>3,738</u>

The additional information of the investment properties as at 31 December 2020 and 2019 stated below:

(Unit: Thousand Baht)

Financial statements in which the equity method
is applied/Separate financial statements

	<u>2020</u>	<u>2019</u>
The fair value of land for rent	88,700	76,900
The fair value of land and buildings for rent	27,760	-

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land for rent has been determined based on market prices with reference to trading information of nearby land, when coincided with the appraisal. While that of the land and buildings for rent have been determined using the income approach. Key assumptions used in the valuation include yield rate, vacancy rate and operating expenses rate.

17. Property, plant and equipment

(Unit: Thousand Baht)

Financial statements in which the equity method
is applied/Separate financial statements

	<u>2020</u>	<u>2019</u>
The net book value of:		
Property, plant and equipment	163,937	163,423
Right of use (Note 21.1)	2,580	-
Total	<u>166,517</u>	<u>163,423</u>

Movements of property, plant and equipment are summarised below.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Separate financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
Cost							
As at 1 January 2019	76,474	234,467	886,082	14,509	5,137	-	1,216,669
Additions	-	-	9,588	888	-	9,433	19,909
Disposals/write-off	-	-	(18,701)	(765)	-	-	(19,466)
Transfers	-	264	9,169	-	-	(9,433)	-
As at 31 December 2019	76,474	234,731	886,138	14,632	5,137	-	1,217,112
Additions	-	2,780	33,308	1,702	2,684	-	40,474
Disposals/write-off	-	(800)	(9,178)	(452)	(3,298)	-	(13,728)
Transfers to investment properties	(2,939)	(5,338)	-	-	-	-	(8,277)
As at 31 December 2020	73,535	231,373	910,268	15,882	4,523	-	1,235,581
Accumulated depreciation							
As at 1 January 2019	-	190,715	823,853	13,046	4,486	-	1,032,100
Depreciation for the year	-	7,478	32,474	799	200	-	40,951
Depreciation on disposals/write-off	-	-	(18,689)	(763)	-	-	(19,452)
As at 31 December 2019	-	198,193	837,638	13,082	4,686	-	1,053,599
Depreciation for the year	-	7,292	24,811	905	304	-	33,312
Depreciation on disposals/write-off	-	(800)	(9,171)	(451)	(3,285)	-	(13,707)
Depreciation of transfers to investment properties	-	(4,230)	-	-	-	-	(4,230)
As at 31 December 2020	-	200,455	853,278	13,536	1,705	-	1,068,974
Allowance for impairment loss							
As at 1 January 2019	-	-	90	-	-	-	90
As at 31 December 2019	-	-	90	-	-	-	90
As at 31 December 2020	-	-	90	-	-	-	90
Net book value							
31 December 2019	76,474	36,538	48,410	1,550	451	-	163,423
31 December 2020	73,535	30,918	56,900	2,346	2,818	-	166,517
Depreciation for the year							
2019 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses)							40,951
2020 (Baht 32 million included in manufacturing cost, and the balance in administrative expenses)							33,312

As at 31 December 2020, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 901 million (2019: Baht 882 million).

18. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2020 and 2019 is presented below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Cost	15,002	14,354
<u>Less</u> Accumulated amortisation	<u>(14,247)</u>	<u>(13,775)</u>
Net book value	<u>755</u>	<u>579</u>

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	579	881
Acquisition	648	213
Write-off - cost	-	(1,626)
Amortisation for the year	(472)	(515)
Amortisation on write-off	-	1,626
Net book value at end of year	<u>755</u>	<u>579</u>

19. Withholding income tax

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Year 2018	19,352	19,352
Year 2019	20,365	20,365
Year 2020	<u>12,201</u>	<u>-</u>

Total	<u>51,918</u>	<u>39,717</u>
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The Company has requested for a refund of this withholding income tax from the Revenue Department. However, its net realisable value is subject to the result of a tax audit by the Revenue officials. The management believes that the Company will receive the refund of the full amount in future.

20. Trade and other payables

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Trade payables - related parties	1,358	1,507
Trade payables - unrelated parties	78,551	79,533
Other payables - related parties	686	994
Other payables - unrelated parties	2,425	2,608
Accrued expenses	17,851	24,592
Others	1,984	2,456
Total trade and other payables	<u>102,855</u>	<u>111,690</u>

21. Leases

21.1 The Company as a lessee

The Company has lease contracts for assets used in its operations. Leases generally have lease terms 1 year to 5 years. The contracts prohibit the underlying asset being subleased or used for other commercial purposes.

a) Right-of-use assets

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

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied/Separate financial statements		
	<u>Motor vehicles</u>	<u>Equipment</u>	<u>Total</u>
As at 1 January 2020	-	-	-
Additions	1,738	946	2,684
Depreciation for the year	(30)	(74)	(104)

As at 31 December 2020	1,708	872	2,580
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b) Lease liabilities

The net book value of lease liabilities as at 31 December 2020 and 2019 is presented below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Lease payments	2,847	-
<u>Less</u> Deferred interest expenses	(260)	-
Total	2,587	-
<u>Less</u> Portion due within one year	(1,188)	-
Lease liabilities - net of current portion	<u>1,399</u>	<u>-</u>

A maturity analysis of lease payments is disclosed in Note 32.1 under the liquidity risk.

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Financial statements in which the equity method is applied/ Separate financial statements	
Depreciation expense of right-of-use assets	104	
Interest expense on lease liabilities	12	
Expense relating to short-term leases	880	
Expense relating to leases of low-value assets	197	

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 1.2 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 2.7 million.

21.2 Company as a lessor

The Company has entered into operating leases with related parties for its investment properties consisting of land, buildings and structures of the lease terms are between 1 and 30 years.

The Company has future minimum rentals receivable under operating leases as at 31 December 2020 and 2019 as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Within 1 year	8,473	3,065
Over 1 and up to 5 years	1,855	4,920
Total	<u>10,328</u>	<u>7,985</u>

22. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Present value of defined benefit obligation	48,855	85,992
Fair value of plan assets	(18,345)	(34,969)
Net defined benefit liability	<u>30,510</u>	<u>51,023</u>

Changes in present value of defined benefit obligation and fair value of plan assets are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Defined benefit obligation at beginning of year	85,992	72,987
Included in profit or loss:		
Current service cost	3,248	4,319
Interest cost	1,254	1,948
Past service cost	-	12,525
Past service cost from curtailment and loss on settlement	(26,349)	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Financial assumptions changes	4,796	-
Experience adjustments	(7,253)	(57)
Transferred employees to related companies	-	(1,061)
Benefits paid during the year	(12,833)	(4,669)
Defined benefit obligation at end of year	<u>48,855</u>	<u>85,992</u>
Fair value of plan assets at beginning of year	34,969	32,915
Included in profit or loss:		
Change in fair value	(3,292)	(1,051)
Transferred employees to related companies	-	(257)
Contribution by the Company	1,409	3,853
Paid and settlement during the year	(14,741)	(491)
Fair value of plan assets at end of year	<u>18,345</u>	<u>34,969</u>

Plan assets comprise bank deposits, government bonds, and equity and debt instruments in local active market.

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change was considered a post-employment benefits plan amendment and the Company had additional long-term employee benefit liabilities was Baht 12.5 million as a result. The Company reflected the effect of the

change by recognised past service costs as expenses in the profit or loss in prior year.

As at 31 December 2020, the Company expects to pay Baht 4.6 million of long-term employee benefits during the next year (2019: Baht 10.2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2019: 11 years).

Key actuarial assumptions used for the valuation are as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u> (% per annum)	<u>2019</u> (% per annum)
Discount rate	1.5	1.6
Future salary increase rate	3.5 - 4.0	2.5 - 4.5

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)			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2020		2019	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3.9)	4.3	(5.5)	6.2
Future salary increase rate	4.2	(3.8)	7.8	(7.0)

23. 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 income 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.

However, the Company's regulations require the Company to set aside to a statutory reserve at least 10 percent of its net income after deducting accumulated deficit brought forward (if any) until such reserve reaches 25 percent of its registered share capital.

As at 31 December 2020 and 2019, the statutory reserve was Baht 62.5 million (equivalent to 62.5 percent of its registered share capital) had reached the minimum amounts as stipulated in the Company's regulations.

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	181,430	227,958
Depreciation and amortisation expenses	33,834	41,465
Repair and maintenance expenses	12,101	15,875
Transportation expenses	16,361	22,774
Raw materials and consumables used	252,347	381,570
Changes in inventories of finished goods and work in process	(28,697)	(10,550)

25. Income tax

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	4,004
Income tax expenses reported in profit or loss	<u>-</u>	<u>4,004</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)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Deferred tax on loss from the change in value of financial assets measured at FVOCI	6,253	-

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

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss before tax	(26,052)	(30,970)	(25,996)	(30,139)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(5,210)	(6,194)	(5,199)	(6,028)
Adjustment in respect of deferred tax assets of previous year	-	4,004	-	4,004
Tax losses for the year that have not been recognised as deferred tax assets	14,888	11,207	14,888	11,207
Effects of:				
Non-deductible expenses	1,801	3,820	1,801	3,820
Tax-exempt dividend income	(7,259)	(7,355)	(7,301)	(7,605)
Share of profit of an associate	(31)	(84)	-	-
Additional expense deductions allowed	(4,178)	(1,192)	(4,178)	(1,192)
Others	(11)	(202)	(11)	(202)
Total	(9,678)	(5,013)	(9,689)	(5,179)
Income tax expenses reported in profit or loss	-	4,004	-	4,004

As at 31 December 2020 and 2019, the component of deferred tax liabilities is as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2020</u>	<u>2019</u>
Deferred tax liabilities		
Unrealised fair value gain on investments	14,413	-

As at 31 December 2020, the Company has deductible temporary differences and unused tax losses totaling Baht 195 million (2019: Baht 120.2 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2020, the unused tax losses will expire by 2025 (2019: expire by 2024).

26. Basic earnings per share

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

27. 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 Company is principally engaged in the manufacture of thermoplastics. It also engages in the contract manufacture and repair of molds. Its operations are carried on only in 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 profit or loss and assets as

reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

The following tables present revenue and profit (loss) information regarding the Company's operating segments for the years ended 31 December 2020 and 2019.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied						Financial statements in which the equity method is applied	
	Manufacture and distribution of thermoplastics		Contract manufacture and repair of molds		Adjustments and eliminations			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	444,114	620,533	43,322	39,665	-	-	487,436	660,198
Inter-segment revenue	-	-	26,421	19,038	(26,421)	(19,038)	-	-
Total revenues	<u>444,114</u>	<u>620,533</u>	<u>69,743</u>	<u>58,703</u>	<u>26,421</u>	<u>(19,038)</u>	<u>487,436</u>	<u>660,198</u>
Segment operating profit (loss)	(30,125)	(8,254)	10,865	9,485	(6,231)	(9,604)	(25,491)	(8,373)
Unallocated income and expenses:								
Dividend income							36,296	36,776
Other income							21,890	13,441
Selling and distribution expenses							(24,927)	(31,442)
Administrative expenses							(35,805)	(44,545)
Share of profit of an associate							157	419
Finance income							1,840	2,754
Finance cost							(12)	-
Income tax expenses							-	(4,004)
Loss for the year							<u>(26,052)</u>	<u>(34,974)</u>

Major customers

For the year 2020, the Company has revenue from three major customers in amount of Baht 139 million, Baht 90 million and Baht 67 million (2019: revenue from three major customers in amount of Baht 108 million, Baht 108 million and Baht 70 million).

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company contribute to the fund monthly at a rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 3 million (2019: Baht 4 million) were recognised as expenses.

29. Credit facilities

The Company's credit facilities (bank overdraft and short-term loan) are unsecured; however, the Company undertook not to dispose of or transfer or create any obligations to its assets as stipulated in loan agreements, unless prior written consent has been obtained from the banks.

As at 31 December 2020 and 2019, the credit facilities have not yet been drawn down.

30. Commitments

30.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of Baht 2 million (2019: Baht 3 million) relating to the purchases of machinery and equipment.

30.2 Service commitments

The Company has entered into equipment maintenance services and other service agreements. As at 31 December 2020, future minimum lease payments required under those service agreements were amounting to Baht 0.9 million (2019: Baht 2.3 million).

31. Fair value hierarchy

As at 31 December 2020 and 2019, the Company had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2020			
	Financial Statements in which the equity method is applied/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Non-listed equity investments	-	-	72.1	72.1

Assets for which fair value are disclosed

Financial assets measured at amortised cost

Restricted investments - government bonds	-	13.3	-	13.3
Investment properties	-	-	116.5	116.5

(Unit: Million Baht)

As at 31 December 2019

 Financial Statements in which the equity method
 is applied/Separate financial statements

Level 1	Level 2	Level 3	Total
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Assets for which fair value are disclosed

Financial assets measured at amortised cost

Restricted investments - government bonds	-	13.1	-	13.1
Investment properties	-	-	76.9	76.9

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

32. Financial instruments**32.1 Financial risk management objectives and policies**

The Company's financial instruments principally comprise cash deposits with banks and financial institutions, trade accounts receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Trade receivables

The Company 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.

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 Company classifies customer segments by customer type. 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 180 days and not subject to enforcement activity.

Financial instruments and cash deposits

The Company 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.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

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

Foreign currency risk

The Company believes that its exposure to foreign currency risk is low since there were few foreign currency transactions during the year and the amount of each individual transaction was quite low.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and government bonds. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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)

As at 31 December 2020
Financial statements in which the equity method is applied/ Separate financial statements
Fixed interest rates

	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	77	2	79	0.125
Trade and other receivables	-	-	-	69	69	-
Other current financial assets	120	-	-	-	120	0.60 - 0.625
Restricted financial assets	-	13	-	-	13	1.875 - 2.00
	<u>120</u>	<u>13</u>	<u>77</u>	<u>71</u>	<u>281</u>	
Financial liability						
Trade and other payables	-	-	-	103	103	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>103</u>	<u>103</u>	

(Unit: Million Baht)

As at 31 December 2019

Financial statements in which the equity method is applied/
Separate financial statements

	Fixed interest rates		Floating	Non-interest	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	interest rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	135	1	136	0.375 - 1.00
Current investments	100	-	-	-	100	1.60 - 1.65
Trade and other receivables	-	-	-	78	78	-
Restricted investments	-	13	-	-	13	1.88 - 2.55
	<u>100</u>	<u>13</u>	<u>135</u>	<u>79</u>	<u>327</u>	
Financial liability						
Trade and other payables	-	-	-	112	112	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>112</u>	

Analysis of the sensitivity of the floating rate cash at banks to a reasonably possible change in interest rates shows that the impact on the Company's pre-tax profit and shareholders' equity of a 1 percent increase or decrease in interest rates, with other variables are constant, would not be material.

Liquidity risk

This is the risk that the Company will be unable to pay debts and meet obligations when due, because of inability to timely convert assets into cash when settlement is due, obtain sufficient funds to meet the funding needs, or is able to obtain funds but at the cost that is beyond an acceptable level. These risks may affect the Company's income and financial position.

The Company has established a policy for management of liquidity, under which is monitored and reviewed by the management on a monthly basis. The process for liquidity risk management include the monitoring of the Company's operating results, financial position and cash inflows and outflows to assess the liquidity gap for various periods of time and analysis of the Company's key financial ratios.

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Separate financial statements		
	Less than 1 year	1 - 5 years	Total
	Non-derivatives		
Trade and other payables	102,855	-	102,855
Lease liabilities	1,188	1,399	2,587
Total non-derivatives	104,043	1,399	105,442

32.2 Fair values of financial instruments

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 31 December 2020		As at 31 December 2019	
	Carrying		Carrying	
	amount	Fair value	amount	Fair value
Financial asset				
Debt instruments -				
government bonds	13.3	13.1	13.1	13.0

The methods and assumptions used by the Company estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, other current financial assets, and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) Fixed rate government bonds are presented at fair value, which is the latest bid price of the end of reporting period published by the Thai Bond Market Association.
- c) The fair value of equity securities is generally derived based on generally accepted pricing models when no market price is available.

33. Capital management

The primary objective of the Company'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 Company's debt-to-equity ratio from the separate financial statements were 0.32:1 (2019: 0.36:1).

34. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 24 February 2021.