



Independent Auditor's Report and Consolidated  
Financial Statements of

**N.D. Rubber Public Company Limited and Subsidiaries**

For the Year Ended 31 December 2020



## INDEPENDENT AUDITOR'S REPORT

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### **To the shareholders of N.D. Rubber Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of N.D. Rubber Public Company Limited and subsidiaries ("the Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of N.D. Rubber Public Company Limited and subsidiaries as at 31 December 2020, and its consolidated and separate 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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*Key Audit Matters*

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

Key audit matter	How the matter was addressed in the audit
<p><i>Impairment of intangible assets</i></p> <p>The Company has trademark which arose from an investment in distributing of motorcycle tyres and tubes, other rubber related product, and shoes.</p> <p>In accordance with Thai Financial Reporting Standards, the Company is required to test the impairment of assets whenever there is an indication of impairment.</p> <p>The impairment test conducted by management requires them to make significant judgments and estimated relating future cash flow forecast from the distributing of tyres and tubes, other rubber related product, and shoes and discount rate which varies by economic circumstances and current market.</p> <p>The Company disclosed about trademark in Note 15 to financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- Assess the reasonable of assumptions and methodology that management applied to estimate expected future cash flow by comparing with current and historical operations.</li> <li>- Discussing with management the basis of assumptions used and future business plan, including reviewing underlying supporting documentation.</li> <li>- Evaluating the reasonableness of the discount rate applied to calculate future cash flows.</li> <li>- Verifying the mathematical accuracy and inspecting inputs with supporting documents.</li> <li>- Assessing the adequacy and appropriateness of the disclosure of assumption and recoverable amount of assets.</li> </ul>

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*Other Information*

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

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

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

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

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

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

In preparing the consolidated and separate 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.

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*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- 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 consolidated and separate financial statements of the current year 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.



**Mr. Narin Churamongkol**

Certified Public Accountant

Registration No. 8593

Grant Thornton Limited

Bangkok

23 February 2021

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	125,766,012	72,656,164	31,142,328	5,894,619
Temporary investments	8	14,233,261	254,982	14,233,261	254,982
Trade accounts receivable - general customers	9	103,351,111	114,330,615	39,841,487	45,768,319
- related parties	7, 9	647,922	565,654	21,567,899	32,331,010
Other accounts receivable - general customers		2,502,113	3,172,988	-	-
Amount due from subsidiary company	7	-	-	-	88,283
Inventories	10	121,190,380	120,261,132	52,287,422	43,577,795
Refundable value added tax		8,101,485	4,722,095	8,101,485	4,440,763
Refundable corporate income tax		720,356	9,740,135	-	-
Non-current assets held for sale	11	8,097,477	-	-	-
Other current assets		4,886,953	4,754,840	4,871,999	4,706,852
<b>Total Current Assets</b>		<b>389,497,070</b>	<b>330,458,605</b>	<b>172,045,881</b>	<b>137,062,623</b>
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiary companies	12	-	-	418,367,180	420,014,932
Property, plant and equipment	14	538,709,086	617,393,695	377,623,456	445,609,234
Right-of-use assets	16.1	45,788,954	-	45,788,954	-
Intangible assets	15	110,981,278	113,345,928	865,296	887,656
Deferred tax assets	21.1	163,875	155,646	-	-
<b>Total Non-Current Assets</b>		<b>695,643,193</b>	<b>730,895,269</b>	<b>842,644,886</b>	<b>866,511,822</b>
<b>TOTAL ASSETS</b>		<b>1,085,140,263</b>	<b>1,061,353,874</b>	<b>1,014,690,767</b>	<b>1,003,574,445</b>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft and short-term loans from banks	17	128,005,548	173,045,595	107,802,751	148,032,960
Trade accounts payable - general suppliers		68,759,694	49,820,530	63,211,773	45,459,467
- related parties	7	98,648	523,245	499,243	926,813
Amount due to subsidiary company	7	-	-	84,595	52,747
Accounts payable for purchases of fixed assets		2,815,998	480,182	2,815,998	480,182
Payable for purchase of investment					
in subsidiary company	19	-	-	2,900,000	2,900,000
Current portion :					
- Liabilities under finance lease agreements	16.2	-	10,691,908	-	10,691,908
- Lease liabilities	16.2	13,902,089	-	13,902,089	-
- Long-term loan	18	4,300,000	14,200,000	4,300,000	14,200,000
- Employee benefits obligation	20	104,414	-	104,414	-
Accrued income tax		6,487,640	353,110	6,332,045	-
Accrued expenses		36,479,524	36,141,179	6,485,561	9,598,846
Other current liabilities		13,243,128	8,490,825	12,775,238	8,252,220
<b>Total Current Liabilities</b>		<b>274,196,683</b>	<b>293,746,574</b>	<b>221,213,707</b>	<b>240,595,143</b>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements	16.2	-	9,237,464	-	9,237,464
Lease liabilities	16.2	1,838,959	-	1,838,959	-
Employee benefits obligation	20	9,354,736	8,358,244	7,999,293	7,167,994
Deferred tax liabilities	21.1	45,638,900	47,344,571	8,783,768	10,142,737
<b>Total Non-Current Liabilities</b>		<b>56,832,595</b>	<b>64,940,279</b>	<b>18,622,020</b>	<b>26,548,195</b>
<b>Total Liabilities</b>		<b>331,029,278</b>	<b>358,686,853</b>	<b>239,835,727</b>	<b>267,143,338</b>



N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - ordinary share, Baht 1 par value					
Authorized - 387,470,188 shares		387,470,188	387,470,188	387,470,188	387,470,188
Issued and fully paid - up - 315,391,514 shares		315,391,514	315,391,514	315,391,514	315,391,514
Share premium		325,711,286	325,711,286	325,711,286	325,711,286
Retained earnings					
- Appropriated for legal reserve	23	13,965,366	11,911,000	13,965,366	11,911,000
- Unappropriated		132,122,127	89,902,464	119,786,874	83,417,307
Other component of shareholders' equity		(34,999,049)	(41,112,145)	-	-
<b>Total Equity of the Company's Shareholders</b>		<b>752,191,244</b>	<b>701,804,119</b>	<b>774,855,040</b>	<b>736,431,107</b>
Non-controlling interests in subsidiaries	13	1,919,741	862,902	-	-
<b>Total Shareholders' Equity</b>		<b>754,110,985</b>	<b>702,667,021</b>	<b>774,855,040</b>	<b>736,431,107</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,085,140,263</b>	<b>1,061,353,874</b>	<b>1,014,690,767</b>	<b>1,003,574,445</b>

**N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Net sales	22, 28	775,845,936	850,630,649	562,709,497	604,992,832
Costs of sales	10, 26, 28	(591,022,702)	(699,195,884)	(478,422,780)	(561,492,127)
<b>Gross profit</b>		<b>184,823,234</b>	<b>151,434,765</b>	<b>84,286,717</b>	<b>43,500,705</b>
Gain on exchange rate		2,553,005	4,607,976	2,553,005	4,607,976
Dividend income	12	-	-	11,166,000	16,526,508
Other income		3,025,795	6,627,576	2,908,748	5,774,655
<b>Profit before expenses</b>		<b>190,402,034</b>	<b>162,670,317</b>	<b>100,914,470</b>	<b>70,409,844</b>
Selling expenses		(32,562,579)	(50,564,887)	(7,464,270)	(13,211,007)
Administrative expenses		(93,633,289)	(103,583,726)	(42,801,068)	(40,680,094)
Loss from impairment of intangible asset	15	-	(19,681,457)	-	-
<b>Total expenses</b>	26	<b>(126,195,868)</b>	<b>(173,830,070)</b>	<b>(50,265,338)</b>	<b>(53,891,101)</b>
<b>Profit (loss) before finance costs and income tax</b>		<b>64,206,166</b>	<b>(11,159,753)</b>	<b>50,649,132</b>	<b>16,518,743</b>
Finance costs		(6,826,437)	(8,591,727)	(6,183,969)	(8,107,293)
<b>Profit (loss) before income tax</b>		<b>57,379,729</b>	<b>(19,751,480)</b>	<b>44,465,163</b>	<b>8,411,450</b>
Income tax expense	21.2	(12,167,131)	(132,991)	(5,051,569)	(383,152)
<b>Profit (loss) for the year</b>		<b>45,212,598</b>	<b>(19,884,471)</b>	<b>39,413,594</b>	<b>8,028,298</b>
<b>Other comprehensive income</b>					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation		6,113,096	(30,770,032)	-	-
<b>Other comprehensive income for the year</b>		<b>6,113,096</b>	<b>(30,770,032)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>51,325,694</b>	<b>(50,654,503)</b>	<b>39,413,594</b>	<b>8,028,298</b>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>					
Shareholders of the Company		45,263,690	(19,542,598)	39,413,594	8,028,298
Non-controlling interests in subsidiaries	13	(51,092)	(341,873)	-	-
<b>Total</b>		<b>45,212,598</b>	<b>(19,884,471)</b>	<b>39,413,594</b>	<b>8,028,298</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>					
Shareholders of the Company		51,376,786	(50,312,630)	39,413,594	8,028,298
Non-controlling interests in subsidiaries	13	(51,092)	(341,873)	-	-
<b>Total</b>		<b>51,325,694</b>	<b>(50,654,503)</b>	<b>39,413,594</b>	<b>8,028,298</b>
<b>BASIC EARNINGS PER SHARE</b>					
Profit (loss) (Baht per share)		0.1435	(0.0620)	0.1250	0.0255
Weighted average number of ordinary shares (share)		315,391,514	315,391,514	315,391,514	315,391,514

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Equity attributable to shareholders of the Company							Total equity attributable to the Company's shareholders	Non-controlling interests	Total
	Retained earnings		Other components of shareholders' equity			Total				
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company		Exchange differences on translating financial statement			
Notes	share capital	premium	Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total	interests	Total	
<b>Consolidated F/S</b>										
Balance as at 1 January 2019	315,391,514	325,711,286	11,509,585	119,308,192	878,694	(10,892,582)	(10,015,888)	761,904,689	2,422,001	764,326,690
Decrease in proportion of investment in subsidiary company	-	-	-	-	(326,225)	-	(326,225)	(326,225)	326,225	-
Decrease in non-controlling interests during the year	-	-	-	-	-	-	-	-	(1,420,001)	(1,420,001)
Appropriate for legal reserve	-	-	401,415	(401,415)	-	-	-	-	-	-
Dividend payment	-	-	(9,461,715)	(9,461,715)	-	-	-	(9,461,715)	-	(9,461,715)
Dividend payment of subsidiary	-	-	-	-	-	-	-	-	(123,450)	(123,450)
<b>Transactions with shareholders</b>	-	-	401,415	(9,863,130)	(326,225)	-	(326,225)	(9,787,940)	(1,217,226)	(11,005,166)
Loss for the year	-	-	-	(19,542,598)	-	-	-	(19,542,598)	(341,873)	(19,884,471)
Other comprehensive income for the year	-	-	-	-	-	(30,770,032)	(30,770,032)	(30,770,032)	-	(30,770,032)
<b>Total comprehensive income for the year</b>	-	-	-	(19,542,598)	-	(30,770,032)	(30,770,032)	(50,312,630)	(341,873)	(50,654,503)
Balance as at 31 December 2019	315,391,514	325,711,286	11,911,000	89,902,464	550,469	(41,662,614)	(41,112,145)	701,804,119	862,902	702,667,021
<b>Balance as at 1 January 2020 - as previous reported</b>	315,391,514	325,711,286	11,911,000	89,902,464	550,469	(41,662,614)	(41,112,145)	701,804,119	862,902	702,667,021
Cumulative effect of changes in accounting policy for impairment - financial assets	-	-	-	(989,661)	-	-	-	(989,661)	-	(989,661)
<b>Balance as at 1 January 2020 - adjusted</b>	315,391,514	325,711,286	11,911,000	88,912,803	550,469	(41,662,614)	(41,112,145)	700,814,458	862,902	701,677,360
Sold of investment in subsidiary company	-	-	-	-	-	-	-	-	1,107,931	1,107,931
Appropriate for legal reserve	-	-	2,054,366	(2,054,366)	-	-	-	-	-	-
<b>Transactions with shareholders</b>	-	-	2,054,366	(2,054,366)	-	-	-	-	1,107,931	1,107,931
Profit (loss) for the year	-	-	-	45,263,690	-	-	-	45,263,690	(51,092)	45,212,598
Other comprehensive income for the year	-	-	-	-	-	6,113,096	6,113,096	6,113,096	-	6,113,096
<b>Total comprehensive income for the year</b>	-	-	-	45,263,690	-	6,113,096	6,113,096	51,376,786	(51,092)	51,325,694
<b>Balance as at 31 December 2020</b>	315,391,514	325,711,286	13,965,366	132,122,127	550,469	(35,549,518)	(34,999,049)	752,191,244	1,919,741	754,110,985

The accompanying notes form an integral part of these financial statements.

**N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER**

	Notes	Issued and		Retained earnings			Total
		paid-up share capital	Share premium	Legal reserve	Unappropriated	Unappropriated	
<b>Separate F/S</b>							
<b>Balance as at 1 January 2019</b>		315,391,514	325,711,286	11,509,585	85,252,139		737,864,524
Appropriate for legal reserve	23	-	-	401,415	(401,415)		-
Dividend payment	24	-	-	-	(9,461,715)		(9,461,715)
<b>Transactions with shareholders</b>				401,415	(9,863,130)		(9,461,715)
Profit for the year		-	-	-	8,028,298		8,028,298
<b>Total comprehensive income for the year</b>		-	-	-	8,028,298		8,028,298
<b>Balance as at 31 December 2019</b>		315,391,514	325,711,286	11,911,000	83,417,307		736,431,107
<b>Balance as at 1 January 2020 - as previous reported</b>		315,391,514	325,711,286	11,911,000	83,417,307		736,431,107
Cumulative effect of changes in accounting policy for impairment - financial assets	3.1.1, 9	-	-	-	(989,661)		(989,661)
<b>Balance as at 1 January 2020 - adjusted</b>		315,391,514	325,711,286	11,911,000	82,427,646		735,441,446
Appropriate for legal reserve	23	-	-	2,054,366	(2,054,366)		-
<b>Transactions with shareholders</b>				2,054,366	(2,054,366)		-
Profit for the year		-	-	-	39,413,594		39,413,594
<b>Total comprehensive income for the year</b>		-	-	-	39,413,594		39,413,594
<b>Balance as at 31 December 2020</b>		315,391,514	325,711,286	13,965,366	119,786,874		774,855,040

The accompanying notes form an integral part of these financial statements.

**N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash Flows from Operating Activities</b>				
Profit (loss) before income tax	57,379,729	(19,751,480)	44,465,163	8,411,450
<b>Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities:</b>				
Depreciation and amortization	44,947,571	46,374,491	35,252,768	35,526,857
Unrealized gain on changing in value of investments	(31,703)	(2,524)	(31,703)	(2,524)
Realized gain on disposal of temporary investments	(2,524)	(488,774)	(2,524)	(488,774)
Allowance (reversal of allowance) for impairment losses from accounts receivable	4,952,741	(1,012,106)	4,967,063	212,390
Allowance for impairment losses from investment in subsidiary	-	-	1,147,752	-
Allowance (reversal of allowance) for obsolete and devaluation value of inventories	(2,224,074)	7,450,721	(42,931)	159,899
Loss from impairment of intangible assets	-	19,681,457	-	-
Unrealized loss (gain) on exchange rate	32,348	(41,111)	32,348	(41,111)
Gain on disposal of fixed assets	(204,422)	(588,335)	(46,520)	(588,335)
Written-off assets	596,256	6,280	571,626	-
Written-off intangible assets	-	148,789	-	-
Dividend income	-	-	(11,166,000)	(16,526,508)
Employee benefits obligation expenses	825,079	2,405,703	699,159	2,070,230
Loss from written-off the non-refundable income tax	-	524,947	-	524,947
Interest income	(127,183)	(115,430)	(11,587)	(39,669)
Finance costs	6,826,437	8,591,727	6,183,969	8,107,293
<b>Cash provided from operations before changes in operating assets and liabilities</b>	112,970,255	63,184,355	82,018,563	37,326,145
<b>Decrease (increase) in operating assets:</b>				
Trade accounts receivable - general customers	4,620,648	11,436,592	10,323,886	13,045,764
- related parties	112,798	(10,749)	604,399	1,114,462
Amount due from subsidiary company	-	-	88,283	2,222,917
Inventories	(6,138,104)	10,332,755	(8,666,696)	8,493,206
Refundable value added tax	(3,379,390)	(958,249)	(3,660,722)	(766,185)
Other current assets	261,061	3,582,408	(165,147)	26,671
<b>Increase (decrease) in operating Liabilities:</b>				
Trade accounts payable - general suppliers	29,498,582	(25,165,576)	17,546,667	(24,252,048)
- related parties	(424,597)	(69,026)	(427,570)	(266,708)
Amount due to subsidiary company	-	-	31,848	(5,508)
Accrued expenses	439,208	(6,171,010)	(3,113,285)	377,570
Other current liabilities	4,752,568	6,165,193	4,523,018	6,221,241
<b>Cash provided from operations</b>	<b>142,713,029</b>	<b>62,326,693</b>	<b>99,103,264</b>	<b>43,537,527</b>

The accompanying notes form an integral part of these financial statements.

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash provided from operations (Continued)</b>	142,713,029	62,326,693	99,103,264	43,537,527
Interest received	127,183	115,430	11,587	39,669
Interest paid	(6,550,610)	(8,349,768)	(5,947,415)	(7,899,524)
Income tax refunded	11,226,248	268,969	-	197,036
Income tax paid	(9,755,712)	(12,106,576)	(78,493)	(900,333)
<b>Net cash provided from operating activities</b>	<b>137,760,138</b>	<b>42,254,748</b>	<b>93,088,943</b>	<b>34,974,375</b>
<b>Cash Flows from Investing Activities:</b>				
Proceeds from disposal of temporary investments	20,255,948	65,160,885	20,255,948	65,160,885
Purchase of temporary investments	(34,200,000)	(58,370,000)	(34,200,000)	(58,370,000)
Purchase of investment in subsidiary	-	(60,161,623)	-	(60,161,623)
Proceeds from disposal of investment in subsidiary - net	255,266	-	500,000	-
Proceeds from disposal of fixed assets	698,500	1,352,466	116,444	1,352,466
Purchase of fixed assets and computer software	(8,917,446)	(15,323,403)	(8,089,042)	(12,643,673)
Payment for accounts payable for purchases of fixed assets	(480,182)	(893,001)	(480,182)	(893,001)
Dividend received	-	-	11,166,000	16,526,508
<b>Net cash used in investing activities</b>	<b>(22,387,914)</b>	<b>(68,234,676)</b>	<b>(10,730,832)</b>	<b>(49,028,438)</b>
<b>Cash Flows from Financing Activities</b>				
Increase (decrease) in bank overdraft and short-term loans from banks	(45,458,104)	17,940,038	(40,251,984)	22,318,442
Repayment of lease liabilities	(6,958,418)	(8,752,785)	(6,958,418)	(8,752,785)
Repayment of long-term loan	(9,900,000)	(19,800,000)	(9,900,000)	(19,800,000)
Dividend payment	-	(9,586,494)	-	(9,463,044)
<b>Net cash used in financing activities</b>	<b>(62,316,522)</b>	<b>(20,199,241)</b>	<b>(57,110,402)</b>	<b>(15,697,387)</b>
Exchange differences from foreign currency financial statements translation	54,146	(12,404,122)	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>53,109,848</b>	<b>(58,583,291)</b>	<b>25,247,709</b>	<b>(29,751,450)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>72,656,164</b>	<b>131,239,455</b>	<b>5,894,619</b>	<b>35,646,069</b>
<b>CASH AND CASH EQUIVALENTS AT ENDING OF YEAR</b>	<b>125,766,012</b>	<b>72,656,164</b>	<b>31,142,328</b>	<b>5,894,619</b>
<b>Supplemental disclosures for cash flows information</b>				
<b>Non-cash items</b>				
Accounts payable for purchase of fixed assets	2,815,998	480,182	2,815,998	480,182
Payable for purchase of investment in subsidiary	-	-	-	2,900,000
Increment of right-of-use assets and lease liabilities	2,770,094	-	2,770,094	-
Transferred trade accounts receivable - related party to trade accounts receivable - general customer	-	-	10,353,778	-
Transferred property, plant and equipment to non-current assets held for sale	8,097,477	-	-	-

**N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**1. NATURE OF OPERATIONS**

The Company was incorporated under the Thai Civil and Commercial Code as a limited company on 24 May 1990 in the name of N.D. Rubber Company Limited. The Company changed its status to a public company and registered the change of its name to "N.D. Rubber Public Company Limited" on 15 May 2014. The Company and subsidiaries are engaged in manufacturing and distributing motorcycle tyres and tubes, and distributing battery for automobile and motorcycle, including other related services, and manufacturing and distributing rubber and synthetic products for automobile and motorcycle, and researching, manufacturing and distributing of wireless electrical equipment and system and distributing footwear. The registered office address of the Company is 129 Moo 3, Nongsak-Phanasnikom Road, Nongeiroom Sub-district, Banbueng, Chonburi. The major shareholders of the Company are "Samrittivanicha" Family at 51.85% shareholding.

**2. BASIS OF FINANCIAL STATEMENT PREPARATION**

2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.



## 2.2 Principles of consolidation

The consolidated financial statements include the financial statements of N.D. Rubber Public Company Limited and subsidiaries which the Company can exercise control or holdings the voting shares more than 50 percentage of total voting shares as follow:

Subsidiary Companies	Country	Percentage of holding (%)		Nature of business
		2020	2019	
<u>Direct</u>				
N.D. Interparts Co., Ltd.	Thailand	91.77	91.77	Manufacturing and distributing rubber and synthetic products for automobile and motorcycle
Mascasey Trading Co., Ltd.	Thailand	-	50.00	Distributing tyres and tubes for motorcycle
N.D. Energy Fusion Co., Ltd.	Thailand	98.33	98.33	Researching, manufacturing and distributing of wireless electrical equipment and system
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	Malaysia	100.00	100.00	Distributing of bicycle motorcycle and tyres and tubes and other rubber related product
<u>Indirect</u>				
FKR MARKETING SND.BHD.	Malaysia	100.00	100.00	Distributing bicycle and motorcycle tyres and tubes
GCB TRADING SDN.BHD.	Malaysia	100.00	100.00	Distributing footwear

Significant inter-company transactions with subsidiaries and indirect subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepare using the same accounting policies for similar transactions or accounts of similar nature in the preparation of the Company's financial statements.

### *Subsidiary*

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The total assets of subsidiaries as at 31 December 2020 and 2019 and total revenues for the years ended 31 December 2020 and 2019, as included in the consolidated financial statements presented in term of percentages as follow:

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	31 December	31 December	For the years ended 31 December	
	2020	2019	2020	2019
N.D. Interparts Co., Ltd.	2.08	1.96	4.14	4.71
Mascasey Trading Co., Ltd.	-	0.80	-	1.84
N.D. Energy Fusion Co., Ltd.	0.34	0.34	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	26.15	25.81	38.99	37.64

On 27 February 2020, at the Board of Directors No. 1/2020, passed a resolution to disposal investment in Mascasey Trading Co., Ltd. of Baht 500,000 which equal its book value in the separate financial statements which have 5 installments, each Baht 100,000. The Company had transfer shares of said subsidiary on 2 March 2020.

### 2.3 Significant changes during the year 2020 are as follows:

#### 2.3.1 Effect from Coronavirus 19 pandemic

The Coronavirus 19 pandemic is continuing to evolve, resulting in an economic slowdown, and adversely impacting most businesses and industries. This situation may bring uncertainties and also have impact on the environment in which the Group operates. Including with subsidiary company in Malaysia which had an effect from the coronavirus 19 pandemic. The Malaysian Government had imposed the Movement Control Order ("MCO") in several period. The emergence of the Coronavirus 19 pandemic had brought significant economic uncertainties in Malaysia. 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 judgment for recognizing the effects to the financial statements in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

#### 2.3.2 Accounting guidance on temporary relief measures for accounting alternatives by the Group

As at 31 December 2020, the Coronavirus disease 2019 pandemic is continuing to evolve, resulting in uncertainties assessed the financial impact from estimation. The Group has elected Accounting Guidance on Temporary relief Measures for Accounting Alternatives which announced by The Federation of Accounting Professions for alleviate impact from Coronavirus disease 2019 pandemic (COVID 19) as follows:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group's uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with Thai Accounting Standard No.36 "Impairment of Assets".

### 3. NEW AND REVISED FINANCIAL REPORTING STANDARDS, INTERPRETIONS AND GUIDANCE

3.1 During the year, The Federation of Accounting Professions has revised and issued Thai Financial Reporting Standards (TFRS), interpretations and guidance as follow:

#### 3.1.1 Thai Financial Reporting Standards related to "Financial instruments"

TFRS 9	Financial instruments
TFRS 7	Financial instruments: Disclosure
TAS 32	Financial instrument: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

In which present the new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are currently effective.

The Group management has assessed the potential impact on the financial statement of Thai Financial Reporting Standards related to "Financial instruments" as follow:

#### Classification and measurement of financial assets and financial liabilities

##### Financial assets

Financial assets for debt instrument contain three principal classification categories: (1) measured at amortize cost, (2) fair value through profit or loss, and (3) fair value through other comprehensive income based on the business model of the Group in which they are managed and based on the cash flow characteristics of the financial asset.

Financial assets measured at amortized cost. Interest income calculated by using effective interest rate and recognized in statement of profit or loss.

Financial assets for equity instrument are measured at fair value through profit or loss. The Group considered to recognize financial assets at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss.

#### Financial liabilities

Financial liabilities which classified and measured at amortize cost. Interest expenses calculated by using effective interest rate and recognized in statement of profit or loss.

Derivative liabilities are classified and measured at fair value through profit or loss except for derivatives contracts which applied hedge accounting are measured at fair value through other comprehensive income.

The classification and measurement under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

(Unit : Baht)

Consolidated F/S			
Classification under previous standards as at 31 December 2019	Classification under TFRS 9 as at 1 January 2020		
Transactions	Carrying amounts	Fair value through profit or loss	Amortized cost - net
<b>Financial assets</b>			
Cash and cash equivalent	72,656,164	-	72,656,164
Temporary investments	254,982	254,982	-
Trade accounts receivable	114,896,269	-	114,896,269
Other receivables	3,172,988	-	3,172,988
<b>Total</b>	<b>190,980,403</b>	<b>254,982</b>	<b>190,725,421</b>
<b>Financial liabilities</b>			
Bank overdraft and short - term loans from banks	173,045,595	-	173,045,595
Trade accounts payable	50,343,775	-	50,343,775
Accounts payable for purchases of fixed assets	480,182	-	480,182
Long-term loan	14,200,000	-	14,200,000
Liabilities under finance lease agreements	19,929,372	-	19,929,372
<b>Total</b>	<b>257,998,924</b>	<b>-</b>	<b>257,998,924</b>

(Unit : Baht)

Separate F/S

Transactions	Classification under previous standards as at 31 December 2019	Classification under TFRS 9 as at 1 January 2020	
	Carrying amounts	Fair value through profit or loss	Amortized cost - net
<b>Financial assets</b>			
Cash and cash equivalent	5,894,619	-	5,894,619
Temporary investments	254,982	254,982	-
Trade accounts receivable	78,099,329	-	78,099,329
Other receivables	88,283	-	88,283
Total	84,337,213	254,982	84,082,231
<b>Financial liabilities</b>			
Bank overdraft and short-term loans from banks	148,032,960	-	148,032,960
Trade accounts payable	46,386,280	-	46,386,280
Other payable	52,747	-	52,747
Accounts payable for purchases of fixed assets	480,182	-	480,182
Payable for purchases of investments	2,900,000	-	2,900,000
Long-term loan	14,200,000	-	14,200,000
Liabilities under finance lease agreements	19,929,372	-	19,929,372
Total	231,981,541	-	231,981,541

Financial assets and financial liabilities which measured at amortize cost is closed to fair value.

Impairment of financial assets and contract assets

The Group have assessed the impairment of financial assets and contract assets by forward-looking 'expected credit loss' (ECL) model. It is no longer necessary for a credit event to have occurred before credit losses are recognizes and judgement about how changes in economic factors affect expected credit loss and probability-weighted basis. However, the new assessment applies to financial assets measured at amortized cost and fair value through other comprehensive income

The Group have determined the application of TFRS 9 are as follows:

- Trade and other receivables applied simplified approach for impairment losses measurement by using expected credit loss for the receivable.

The above adoptions result in an additional allowance for impairment losses of the Group as at 1 January 2020 as follows:

	(Unit : Baht)
	Consolidated and Separated F/S
	<hr/>
Allowance for impairment losses - trade accounts receivables as at 31 December 2019	926,183
Additional impairment loss recognized as at 1 January 2020	989,661
	<hr/>
Allowance for impairment losses - trade accounts receivable as at 1 January 2020	1,915,844
	<hr/>

The Group have adopted to recognize the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

### 3.1.2 Thai Financial Reporting Standards No. 16 "Lease"

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 "Leases", and several leases - related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and lease liabilities except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas.

Under the Thai Financial Reporting Standard No. 16 "Leases", no significant changes to the accounting for lessors.

However, the adoption of these new standards has no significant impact on the financial statements of the Group, excepted for the reclassification of the balance as at 1 January 2020 as mentioned in Notes 3.1.3, 14, and 16.

### 3.1.3 Impact on the financial information

The adoption of Thai Financial Reporting Standards No. 9 and Thai Financial Reporting Standards No. 16 has impact to the Group's statements of financial position as of 1 January 2020 are as follows:

(Unit : Baht)

	Consolidated F/S			
	The previous accounting policies	Adjustments		After adjustment
		Thai Financial Reporting Standards No. 9	Thai Financial Reporting Standards No. 16	
<b>Statement of financial position</b>				
<u>Current asset</u>				
Trade accounts receivable	114,896,269	(989,661)	-	113,906,608
<u>Non-current assets</u>				
Right-of-use assets	-	-	45,513,090	45,513,090
Property, plant and equipment	617,393,695	-	(45,513,090)	571,880,605
<b>Total assets</b>	<b>732,289,964</b>	<b>(989,661)</b>	<b>-</b>	<b>731,300,303</b>
<u>Current liabilities</u>				
Current portion :				
- Liabilities under finance lease agreements	10,691,908	-	(10,691,908)	-
- Lease liabilities	-	-	10,691,908	10,691,908
<u>Non-current liabilities</u>				
Liabilities under finance lease agreements	9,237,464	-	(9,237,464)	-
Lease liabilities	-	-	9,237,464	9,237,464
<b>Total liabilities</b>	<b>19,929,372</b>	<b>-</b>	<b>-</b>	<b>19,929,372</b>
Retained earnings				
- Unappropriated	89,902,464	(989,661)	-	88,912,803
<b>Shareholders' Equity</b>	<b>89,902,464</b>	<b>(989,661)</b>	<b>-</b>	<b>88,912,803</b>

(Unit : Baht)

## Separate F/S

	The previous accounting policies	Adjustments		After adjustment
		Thai Financial Reporting Standards No. 9	Thai Financial Reporting Standards No. 16	
<b>Statement of financial position</b>				
<u>Current asset</u>				
Trade accounts receivable	78,099,329	(989,661)	-	77,109,668
<u>Non-current assets</u>				
Right-of-use assets	-	-	45,513,090	45,513,090
Property, plant and equipment	445,609,234	-	(45,513,090)	400,096,144
<b>Total assets</b>	<u>523,708,563</u>	<u>(989,661)</u>	<u>-</u>	<u>552,718,902</u>
<u>Current liabilities</u>				
Current portion :				
- Liabilities under finance lease agreements	10,691,908	-	(10,691,908)	-
- Lease liabilities	-	-	10,691,908	10,691,908
<u>Non-current liabilities</u>				
Liabilities under finance lease agreements	9,237,464	-	(9,237,464)	-
Lease liabilities	-	-	9,237,464	9,237,464
<b>Total liabilities</b>	<u>19,929,372</u>	<u>-</u>	<u>-</u>	<u>19,929,372</u>
Retained earnings				
- Unappropriated	83,417,307	(989,661)	-	82,427,646
<b>Shareholders' Equity</b>	<u>83,417,307</u>	<u>(989,661)</u>	<u>-</u>	<u>82,427,646</u>



### 3.2 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

#### 3.2.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No. 8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment definition of “Materiality” to comply with the Financial Reporting Standards and frameworks, including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

#### 3.2.2 Thai Financial Reporting Standard No.3 “Business combinations”

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment definition of “Business” that define the business combination must include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

#### 3.2.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No. 7 “Disclosure of Financial instruments”

Change in specific hedge accounting requirements for relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

#### 3.2.4 Conceptual Framework for Financial Reporting

The amendment conceptual framework in definition of assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes responsibilities, conservatism, and measurement uncertainty in preparation of financial reporting. The revised in conceptual framework that effect to revised in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

##### Sale of goods

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Interest income is recognized on an accrual basis on a time proportion that reflects the effective yield on the asset.

Other income is recognized on an accrual basis.

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

##### Trade accounts receivable and allowance for impairment losses

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

### **Accounting policy which effective from 1 January 2020**

Trade accounts receivable are presented at the net realizable value. The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the trade accounts receivable. To measure the expected credit losses, trade accounts receivable have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to settle the receivables. The impairment losses are recognized in profit or loss.

### **Accounting policy which effective before 1 January 2020**

Trade accounts receivable are presented at the net realizable value. The Group records allowances for doubtful accounts from accounts receivable which might be uncollectible. Allowance for doubtful accounts is provided for on the basis of collection experience and payment ability of the debtors at the end of year.

#### Inventories

Inventories are presented at the lower of cost or net realizable value. Cost is calculated by the following methods:

- |   |                                   |
|---|-----------------------------------|
| Finished goods, work in process and raw materials | - At cost (FIFO method)           |
| Other supplies                                    | - At cost (moving average method) |

Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion (for work in process) and selling expenses. Provision is made, where necessary, for slow moving and defective inventories based on the Group's experiences and the current information.

#### Investments in subsidiaries

Investments in subsidiaries in the separate financial statements is accounted for by cost method. The Company recognizes gain or loss on disposal in the statement of profit or loss in the year which sales of investment occurred. In case of impairment on investment, the Company will recognize loss on impairment of investment as expense in the statement of profit or loss. The Company recognized dividend income when the subsidiary declares the payment of its dividends.

#### Related parties

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 company and individuals 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 directing the Company's operations.

## Property, plant and equipment

### *Recognition and measurement*

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

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

### *Subsequent costs*

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

### *Depreciation*

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

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

	<u>Years</u>
Buildings and improvements	10 - 50
Machinery and equipment	5 - 25
Factory equipment	2 - 20
Furniture, fixture and office equipment	3 - 15
Vehicles	7 - 10

No depreciation is provided on freehold land or assets in transit and construction in progress.

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

## Intangible assets

### *Computer software*

Computer software is presented at cost less accumulated amortization. Amortization is calculated by reference to cost on a straight-line method over the estimated period of 5 years.

### *Trademarks*

The Group's trademarks represent trademarks under the name "FKR and GCB" Trademarks acquired in a business combination and are recognized at fair value at the acquisition date. The Group continues to use the trademarks in commercial; and therefore, the trademarks have a finite useful life of 30 years and carried at the cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the trademarks.

### *Customer relationships*

Customer relationships acquired in a business combination and are recognized at fair value at the acquisition date. The customer relationships have a finite useful life of 8 years are carried at the cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationships.

### *Goodwill*

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less allowance for impairment.

## Non-current assets held for sale

Non-current assets held for sale comprising assets that are expected to be recovered primarily through sale rather than through continuing use.

Classification of the assets as held for sale occurs only when the assets are available for immediate sale in its present condition subject only to terms that are usual, and customer and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment once classified as non-current assets held for sale is not depreciated.

### Impairment

The Group assess whether there is an indication that any asset may be impaired. If any such indication exists, the Group make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell or value in use.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

### Foreign currencies

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

Non-monetary assets and liabilities measured at cost in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Foreign currency differences are recognized in profit or loss as incurred.

### *Foreign subsidiary*

The assets and liabilities of foreign subsidiary are translated into Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign subsidiary are translated into Thai Baht at rates approximating the exchange rates at the dates of the transactions.

### Employee benefits

#### *Short-term employment benefits*

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred.

#### *Post-employment benefits (Defined contribution plan)*

The Company and subsidiaries in Thailand with their employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trust fund from the Company's and subsidiaries assets. The Company's and subsidiaries contribution to the fund are recognized as expenses when incurred.

#### *Post-employment benefits (Defined benefit plan)*

The Company and subsidiaries in Thailand have obligation in respect of the severance payment to employees upon retirement under the labour law. The Company and subsidiaries set up the obligation under the defined benefits plan based on actuarial techniques, using the discount method on each projected unit.

The defined benefits liability comprises the present value of the defined benefit obligation and actuarial gains (losses).

Actuarial gains or losses arising from post-employment benefits are recognized immediately in other comprehensive income.

#### Right-of-use assets

##### **Accounting policy which effective from 1 January 2020**

###### *Leases - where the Group are the lessee*

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the exercise price under a purchase option that the Group is reasonably certain to exercise.

After initial cost measurement, when the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

The Group recognizes the short-term leases payment and leases of low-value assets payment associated with these leases as an expense on a straight-line basis over the lease term. The short-term leases is lease which had lease term of 12 months or less.

## Accounting policy which effective before 1 January 2020

### *Long-term leases - where the Group are the lessee*

Leases of equipment where the Group assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments net of financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight - line method over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the year in which termination takes place.

### Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

### *Current income tax*

Current income tax is the expected tax payable or claimable, under the income tax prevailing, on the taxable profit or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting year, and any adjustment to tax payable in respect of previous years.

### *Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and if they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they are intended to be settled on a net basis or when income tax assets and liabilities will be realized simultaneously.



A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### Financial instrument

##### *Recognition and derecognition*

The Group shall recognize a financial asset or a financial liability when the Group becomes party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

##### *Initial recognition and measurement of financial assets*

The Group classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset (SPPI)

with the exception of allowance for impairment losses from trade accounts receivable as separable.

##### *Subsequent measurement of financial assets*

#### Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

#### *Impairment of financial assets*

For trade accounts receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes 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.

#### *Initial recognition and measurement of financial liabilities*

At initial recognition the Group's financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost.

The Group's financial liabilities include bank overdraft and short-term loans from bank, trade accounts payables, and accounts payable for purchases of fixed assets, and long-term loan.

#### *Subsequent measurement of financial liabilities*

##### Financial liabilities at amortized cost

After initial recognition, carrying amounts are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

##### Share premium

The Company recorded cash received in excess of the par value of the shares issued as share premium in the statement of financial position, share premium are deducted from any transaction costs associated with the issuing of shares and related income tax benefits.

##### Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

##### Basic earnings per share

Basic earnings per share is determined by dividing the profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year.

### Segment reporting

Segment results that are reported to chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### Provisions for liabilities and expenses and contingent assets

Provisions for liabilities and expenses are recognized in the financial statements when the Group have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

## **5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT**

### Use of accounting estimates

When preparing the financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Critical accounting estimates, assumption and judgments are as follow:

#### 5.1 Allowance for impairment losses from trade accounts receivable

The Group estimates allowance for impairment losses from trade accounts receivable by measure the expected credit losses, trade accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

#### 5.2 Allowance for impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in their fair value. The determination of what is "significant" or "prolonged" requires management judgment.

#### 5.3 Allowances for slow-moving and defective inventories

The Group estimates allowances for slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on the consideration of inventory turnovers and deterioration of each category.

#### 5.4 Plant, equipment and intangible assets

Management regularly determines the estimated useful lives and residual values for the Group's plant, equipment and intangible assets, and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or when they are no longer in used.

#### 5.5 Impairment of assets

The Group treat asset as impaired when there has been a significant or prolonged decline in the fair value. The determination of what is "significant" or "prolonged" requires management judgment.

#### 5.6 Goodwill and intangible assets

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

#### 5.7 Post-employment benefits (defined benefit plans)

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

#### 5.8 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable profit against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

## 5.9 Leases

### *Determine the lease terms*

The Group shall determine the lease term is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group shall revise the lease term if there is a change in the non-cancellable of a lease by may be caused by the group of companies using (or not exercising) rights. The reasonably certain assessment of certainty upon the occurrence of either a significant event or a significant change in circumstances. This has an impact on assessment of the lease term and is under the control of the Group.

### *Determination of the discount rate on lease liabilities*

The Group assessment interest rate of incremental borrowing of lessee. Using information provided by third-party financing of each leasing entity and updating information obtained to reflect changes in the tenant's financial factors, if possible.

## 6. CASH AND CASH EQUIVALENTS

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash	197,611	211,452	100,000	100,397
Cash at banks				
- Current account	89,221,840	67,143,843	15,218,293	2,858,494
- Saving account	36,346,561	5,300,869	15,824,035	2,935,728
Total	125,766,012	72,656,164	31,142,328	5,894,619

The currency denomination of cash and cash equivalents as at 31 December 2020 and 2019 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
THB	32,866,075	11,782,470	21,210,260	4,363,856
MYR	88,650,273	59,345,855	5,682,404	2,924
USD	4,249,664	1,527,839	4,249,664	1,527,839
Total	125,766,012	72,656,164	31,142,328	5,894,619

## 7. TRANSACTIONS WITH RELATED PARTIES

The Company has certain business transactions with its related companies which are related through common shareholding and/or management. Such transactions are made under the conditions and terms of general trade practice with prices approximate the market.

Relationship with related parties were as follows:

Name	Relationship
T.Thai Charoen Service Co., Ltd.	Co-director
T.Thai Chareon Rubber Co., Ltd.	Co-director
S.M.K. Industry Co., Ltd.	Co-director
Thai Saengareon Services Co., Ltd.	Co-director
Thai Chareon Service Tyre Co., Ltd.	Co-director
Siam Plastwood Co., Ltd.	Co-director
Sangcharoen Tools Center Co., Ltd.	Family member of director
White House Plastic Limited Partnership	Family member of director
Mr.Thanapol Samrittivanicha	Family member of director

Transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
Pricing Policy		2020	2019	2020	2019
<u>Sales of goods</u>					
- Subsidiary companies	Agreed price	-	-	167,150	22,830,482
- Indirect subsidiary company	Agreed price	-	-	214,715,913	213,088,749
- Related parties	Agreed price	4,144,872	3,511,125	4,144,872	3,511,125
<b>Total</b>		<b>4,144,872</b>	<b>3,511,125</b>	<b>219,027,935</b>	<b>239,430,356</b>
<u>Purchase of raw materials</u>					
- Subsidiary company	Agreed price	-	-	2,316,758	2,389,640
- Related companies	Agreed price	541,932	1,925,429	541,932	1,802,107
<b>Total</b>		<b>541,932</b>	<b>1,925,429</b>	<b>2,858,690</b>	<b>4,191,747</b>
<u>Rental income</u>					
- Subsidiary company	Agreed price	-	-	1,656,000	1,768,150
<u>Service income</u>					
- Subsidiary company	Agreed price	-	-	142,496	179,439
<u>Sales of asset</u>					
- Subsidiary company	Agreed price	-	-	43,500	-
<u>Service expense</u>					
- Subsidiary company	Agreed price	-	-	430,365	310,348
<u>Rental expense</u>					
- Director	Agreed price	-	27,000	-	27,000
<u>Key directors and management compensation</u>					
Short-term benefits		12,046,665	10,037,424	7,586,006	6,134,176
Provision for post-employment benefit		131,996	415,202	114,495	350,501
<b>Total</b>		<b>12,178,661</b>	<b>10,452,626</b>	<b>7,700,501</b>	<b>6,484,677</b>

As at 31 December 2020 and 2019, the outstanding balances with related parties are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
- Subsidiary companies	-	-	20,493	13,122,039
- Indirect subsidiary company	-	-	20,899,484	18,643,317
- Related parties	647,922	565,654	647,922	565,654
Total	<u>647,922</u>	<u>565,654</u>	<u>21,567,899</u>	<u>32,331,010</u>
<u>Amount due from subsidiary company</u>				
- Subsidiary company	-	-	-	88,283
<u>Trade accounts payable</u>				
- Subsidiary company	-	-	427,546	431,819
- Related companies	98,468	523,245	71,697	494,994
Total	<u>98,468</u>	<u>523,245</u>	<u>499,243</u>	<u>926,813</u>
<u>Amount due to subsidiary company</u>				
- Subsidiary company	-	-	84,595	52,747
<u>Key directors and management compensation</u>				
- Employee benefits obligation	<u>1,407,002</u>	<u>1,275,006</u>	<u>1,191,328</u>	<u>1,076,833</u>



## 8. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2020	2019
Temporary investments		
Mutual fund	14,201,558	252,458
Unrealized gain on changing in value of investment	31,703	2,524
Total	<u>14,233,261</u>	<u>254,982</u>

During the years ended 31 December 2020 and 2019, movements of temporary investments are as follows

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2020	2019
Fair value as at 1 January	254,982	6,554,569
Purchases	34,200,000	58,370,000
Disposals	(20,253,424)	(64,672,111)
Fair value adjustment	31,703	2,524
Fair value as at 31 December	<u>14,233,261</u>	<u>254,982</u>

On 27 March 2020, TMB Asset Management Company Limited announced the closure of the fund and on 5 June 2020, it announced the refund to unitholders in each period according to a rate specified in the such announcement.

## 9. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2020 and 2019, the aged of trade accounts receivable are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<u>Trade accounts receivable - general customers</u>				
Not yet due	82,637,105	98,000,430	27,993,180	33,936,107
Over due :				
Less than 3 months	16,614,071	13,208,971	8,536,571	10,546,477
3 - 6 months	187,493	387,358	187,493	387,358
6 - 12 months	1,386,988	914,653	1,386,988	535,702
Over 12 months	10,201,564	4,331,200	8,620,162	1,288,858
Total	111,027,221	116,842,612	46,724,394	46,694,502
<u>Less</u> Allowance for impairment losses	(7,676,110)	(2,511,997)	(6,882,907)	(926,183)
Net	103,351,111	114,330,615	39,841,487	45,768,319
<u>Trade accounts receivable - related parties</u>				
Not yet due	424,322	266,154	21,344,299	21,234,048
Over due :				
Less than 3 months	223,600	299,500	223,600	4,978,706
3 - 6 months	-	-	-	6,118,256
Net	647,922	565,654	21,567,899	32,331,010

Allowance for impairment losses from accounts receivable as at 31 December 2020 and 2019 as follow:

(Unit : Baht)

The aged of accounts receivable	Consolidated F/S					
	31 December 2020			31 December 2019		
	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses
Not due	0.49	83,061,427	242,991	-	98,266,584	-
Less than 3 months	6.26	16,837,671	548,822	-	13,508,471	-
3 - 6 months	16.75	187,493	31,401	-	387,358	-
6 - 12 months	27.51	1,386,988	381,618	5	914,653	45,733
Over 12 months	65.87 - 100	10,201,564	6,471,278	5 - 100	4,331,200	2,466,264
<b>Total</b>		<b>111,675,143</b>	<b>7,676,110</b>		<b>117,408,266</b>	<b>2,511,997</b>

(Unit : Baht)

The aged of accounts receivable	Separate F/S					
	31 December 2020			31 December 2019		
	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses
Not due	0.49	49,337,479	242,991	-	55,170,155	-
Less than 3 months	6.26	8,760,171	548,822	-	15,525,183	-
3 - 6 months	16.75	187,493	31,401	-	6,505,614	-
6 - 12 months	27.51	1,386,988	381,618	5	535,702	26,785
Over 12 months	65.87	8,620,162	5,678,075	5 - 100	1,288,858	899,398
<b>Total</b>		<b>68,292,293</b>	<b>6,882,907</b>		<b>79,025,511</b>	<b>926,183</b>

During the years ended 31 December 2020 and 2019, the movements in allowance for impairment losses from trade accounts receivable as follow:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January - as previous report	2,511,997	3,642,976	926,183	713,793
Adjusted amount recognized in brought forward of retained earnings	989,661	-	989,661	-
Balance as at 1 January - adjusted	3,501,658	3,642,976	1,915,844	713,793
Decrease from disposal of investment in subsidiary	(790,638)	-	-	-
<u>Add</u> Allowance for impairment losses	4,967,063	1,297,763	4,967,063	280,363
<u>Less</u> Reversal of allowance for impairment losses	(14,322)	(2,309,869)	-	(67,973)
Exchange differences from financial statements translation	12,349	(118,873)	-	-
Balance as at 31 December	7,676,110	2,511,997	6,882,907	926,183

## 10. INVENTORIES

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Raw materials	14,948,700	13,227,519	14,634,672	13,076,373
Work in process	7,989,825	8,760,841	6,645,231	7,512,755
Finished goods	91,766,753	99,598,831	18,571,509	17,064,219
Supply inventories	2,509,047	2,620,943	2,057,566	1,985,048
Fuel	336,765	608,988	336,765	608,988
Packaging	3,325,446	3,856,273	3,286,989	3,811,652
Goods in transit	9,325,068	2,669,159	7,258,530	65,531
Total	130,201,604	131,342,554	52,791,262	44,124,566
<u>Less</u> Allowance for obsolete and declining values of inventories	(9,011,224)	(11,081,422)	(503,840)	(546,771)
Inventories - net	121,190,380	120,261,132	52,287,422	43,577,795

Inventories recognized as an expense in cost of sales during the years ended 31 December 2020 and 2019 are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cost of sales	593,246,776	691,745,163	478,465,711	561,332,228
Write-down to net realizable value	4,083,655	8,523,733	-	159,899
Reversal of write-down	(6,307,729)	(1,073,012)	(42,931)	-
Net	<u>591,022,702</u>	<u>699,195,884</u>	<u>478,422,780</u>	<u>561,492,127</u>

During the years ended 31 December 2020 and 2019, the movements of allowances for obsolete and declining value of inventories are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Beginning balance as at 1 January	11,081,422	3,994,478	546,771	386,872
Decrease from disposal of investment in subsidiary	(5,619)	-	-	-
<u>Add</u> Allowance for obsolete inventories	4,083,655	8,523,733	-	159,899
<u>Less</u> Reversal of allowance for obsolete inventories	(1,396,138)	(967,490)	(42,931)	-
Written-off	(4,911,591)	(105,522)	-	-
Exchange differences from financial statements translation	159,495	(363,777)	-	-
Ending balance as at 31 December	<u>9,011,224</u>	<u>11,081,422</u>	<u>503,840</u>	<u>546,771</u>

## 11. NON-CURRENT ASSET HELD FOR SALE

	(Unit : Baht)
	Consolidated F/S
	<u>Building and construction</u>
<b>Cost</b>	
At 1 January 2020	-
Transfer from property, plant, and equipment	8,997,197
At 31 December 2020	<u>8,997,197</u>
<b>Accumulated amortization</b>	
At 1 January 2020	-
Transfer from property, plant, and equipment	899,720
At 31 December 2020	<u>899,720</u>
<b>Net book value</b>	
At 31 December 2020	<u>8,097,477</u>

On 12 November 2020, the subsidiary in overseas entered into sales and purchase agreements with third parties for disposal of freehold properties for consideration of MYR 1.24 million (equivalent to Baht 9.22 million). Deposits amounting to MYR 0.15 million (equivalent to Baht 1.10 million) have been received. These transactions are expected to be completed in the year 2021.

## 12. INVESTMENT IN SUBSIDIARIES

(Unit : Thousand Baht)

Subsidiaries	Type of business	Separate F/S				Dividend income during the year			
		Paid-up Share capital		Percentage of Shareholding		Cost method			
		2020	2019	2020	2019	2020	2019		
<u>Direct subsidiaries</u>									
N.D. Interparts Co., Ltd.	Manufacturing and distributing rubber and synthetic products for motorcycle and automobile	6,100	6,100	91.77	91.77	5,598	5,598	-	1,377
Mascasey Trading Co., Ltd.	Distributing tyres and tubes for motorcycle	-	1,000	-	50.00	-	500	-	-
N.D. Energy Fusion Co., Ltd.	Researching, manufacturing and distributing of wireless electrical equipment and system	6,000	6,000	98.33	98.33	5,900	5,900	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	Distributing of motorcycle tyres and tubes and other rubber related product	161,028	161,028	100.00	100.00	408,017	408,017	11,166	15,150
Total						419,515	420,015	11,166	16,527
						(1,148)	-	-	-
						418,367	420,015	11,166	16,527

On 27 February 2020, at the Board of Directors No. 1/2020, passed a resolution to disposal investment in Mascasey Trading Co., Ltd. of Baht 500,000 which equal its book value in the separate financial statements with 5 installments, each Baht 100,000. The Company had transfer shares of said subsidiary on 2 March 2020.

### 13. NON - CONTROLLING INTERESTS

Subsidiaries with material non-controlling interests is as follow :

(Unit : Thousand Baht)

Name	Proportion of ownership interests and voting rights held by the NCI (%)		Total comprehensive income allocated to NCI		Accumulated NCI	
	2020	2019	2020	2019	2020	2019
N.D. Interpart Co., Ltd.	8.23	8.23	52	218	1,839	1,787
Mascasey Trading Co., Ltd.	-	50.00	(103)	(552)	-	(1,004)
N.D. Energy Fusion Co., Ltd.	1.67	1.67	-	(8)	80	80
Total			(51)	(342)	1,919	863



Summary of financial information of subsidiary companies before eliminating are as follow:

	N.D. Interpart Co., Ltd.	Mascasey Trading Co., Ltd.	(Unit : Thousand Baht)
	For the year ended 31 December 2020	For the period from 1 January 2020 to 2 March 2020	For the year ended 31 December 2020
Total revenue	41,179	71	-
Profit (loss) for the year attributable to Company's shareholder	585	(104)	(3)
Profit (loss) for the year attributable to non-controlling interest	52	(103)	-
Profit (loss) for the year	637	(207)	(3)
Current assets	19,661	-	4,833
Non-current assets	9,956	-	-
Current liabilities	(6,092)	-	(5)
Non-current liabilities	(1,355)	-	-
Net assets	22,170	-	4,828
Attributable to non-controlling interests	1,839	-	80
Net cash provided from operations activities	3,846	-	-
Net cash used in investing activities	(299)	-	-
Net cash flow increase	3,547	-	-

	(Unit : Thousand Baht)		
	N.D. Interpart Co., Ltd.	Mascasey Trading Co., Ltd.	N.D. Energy Fusion Co., Ltd.
	For the year ended 31 December 2019	For the year ended 31 December 2019	For the year ended 31 December 2019
Total revenue	51,741	20,252	-
Profit (loss) for the year attributable to Company's shareholder	2,437	(552)	(486)
Profit (loss) for the year attributable to non-controlling interest	218	(552)	(8)
Profit (loss) for the year	2,655	(1,104)	(494)
Current assets	16,433	11,225	4,836
Non-current assets	11,164	39	-
Current liabilities	(4,918)	(13,273)	(5)
Non-current liabilities	(1,190)	-	-
Net assets	21,489	(2,009)	4,831
Attributable to non-controlling interests	1,787	(1,004)	80
Net cash provided from (used in) operations activities	4,845	(2,378)	(151)
Net cash provided from (used in) investing activities	(487)	-	156
Net cash used in financing activities	(1,500)	-	-
Net cash flow increase (decrease)	2,858	(2,378)	5

#### 14. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated F/S						Total
	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office equipment	Vehicles	
						Asset in transit and construction in progress	
<b>Cost</b>							
1 January 2019	103,437,251	394,973,702	470,220,673	54,943,689	13,181,817	36,851,159	1,088,047,965
Acquisitions	-	2,309,802	7,759,324	2,468,704	813,423	2,429,070	15,803,585
Disposals	-	-	-	-	(2,364)	(7,164,369)	(7,166,733)
Written-off	-	-	(1,651,350)	(519,077)	(169,726)	-	(2,340,153)
Exchange differences from financial statements translation	(4,342,810)	(6,431,488)	(1,226,180)	(166,407)	(167,343)	(707,165)	(13,041,393)
Transfer in / (out)	-	-	839,676	-	-	-	(839,676)
31 December 2019	99,094,441	390,852,016	475,942,143	56,726,909	13,655,807	31,408,695	1,081,303,271
Impact of first-time adoption of new financial reporting standard	-	-	(44,500,000)	-	-	(8,487,570)	(52,987,570)
Decrease from disposal of investment in subsidiary	-	-	-	-	(77,100)	-	(77,100)
Acquisitions	-	128,000	3,370,881	2,556,441	1,425,840	993,738	11,034,944
Disposals	-	-	(664,325)	(91,407)	(414,150)	(842,160)	(2,012,042)
Written-off	-	-	-	(341,756)	(139,511)	-	(1,052,893)
Exchange differences from financial statements translation	1,019,776	1,510,239	321,383	39,102	39,651	146,561	3,076,712
Transfer to non-current assets held for sale	-	(8,997,197)	-	-	-	-	(8,997,197)
31 December 2020	100,114,217	383,493,058	434,470,082	58,889,289	14,490,537	23,219,264	1,030,288,125

(Unit : Baht)

## Consolidated F/S

	Land and improvement	Building and construction	Machinery and factory tools	Furniture and office equipment			Vehicles	Asset in transit and construction in progress		Total
				Factory equipment	Equipment					
<b>Accumulated depreciation</b>										
1 January 2019	-	123,949,807	245,926,203	35,331,367	9,059,916	19,210,595	-	-	433,477,888	
Depreciation for the year	-	13,209,917	20,467,847	4,026,528	841,547	3,124,313	-	-	41,670,152	
Accumulated depreciation for disposals	-	-	-	-	(649)	(6,401,953)	-	-	(6,402,602)	
Accumulated depreciation for written-off	-	-	(1,636,346)	(436,616)	(129,064)	-	-	-	(2,202,026)	
Exchange differences from financial statements translation	-	(466,422)	(1,451,103)	(167,926)	(187,611)	(360,774)	-	-	(2,633,836)	
31 December 2019	-	136,693,302	263,306,601	38,753,353	9,584,139	15,572,181	-	-	463,909,576	
Impact of first-time adoption of new financial reporting standard	-	-	(5,786,056)	-	-	(1,688,424)	-	-	(7,474,480)	
Decrease from disposal of investment in subsidiary	-	-	-	-	(38,040)	-	-	-	(38,040)	
Depreciation for the year	-	13,367,325	16,994,446	3,683,295	292,168	3,302,698	-	-	37,639,932	
Accumulated depreciation for disposals	-	-	(662,126)	(77,116)	(339,500)	(674,837)	-	-	(1,753,579)	
Accumulated depreciation for written-off	-	-	-	(324,908)	(124,236)	-	-	-	(449,144)	
Exchange differences from financial statements translation	-	125,240	355,891	41,904	46,865	74,594	-	-	644,494	
Transfer to non-current asset held for sale	-	(899,720)	-	-	-	-	-	-	(899,720)	
31 December 2020	-	149,286,147	274,208,756	42,076,528	9,421,396	16,586,212	-	-	491,579,039	
<b>Net book value</b>										
31 December 2019	99,094,441	254,158,714	212,635,542	17,973,556	4,071,668	15,836,514	13,623,260	617,393,695		
31 December 2020	100,114,217	234,206,911	160,261,326	16,812,761	5,069,141	6,633,052	15,611,678	538,709,086		

(Unit : Baht)

Consolidated F/S

	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles	Asset in transit and construction in progress	Total
<b>Depreciation for the year 2019</b>								
Cost of sales								34,877,384
Administrative expenses								6,792,768
Total								<u>41,670,152</u>
<b>Depreciation for the year 2020</b>								
Cost of sales								33,476,949
Administrative expenses								4,162,983
Total								<u>37,639,932</u>

(Unit : Baht)

## Separate F/S

	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles	Asset in transit and construction in progress	Total
<b>Cost</b>								
1 January 2019	33,305,828	289,112,803	421,393,116	45,173,064	9,905,301	23,824,494	14,439,675	837,154,281
Acquisitions	-	2,309,802	5,346,993	2,273,518	741,211	2,429,070	23,262	13,123,856
Disposals	-	-	-	-	(2,364)	(5,150,000)	-	(5,152,364)
Written-off	-	-	(1,651,351)	(463,808)	(116,436)	-	-	(2,231,595)
Transfer in / (out)	-	-	839,676	-	-	-	(839,676)	-
31 December 2019	33,305,828	291,422,605	425,928,434	46,982,774	10,527,712	21,103,564	13,623,261	842,894,178
Impact of first-time adoption of new financial reporting standard	-	-	(44,500,000)	-	-	(8,487,570)	-	(52,987,570)
Acquisitions	-	128,000	3,076,011	2,270,198	1,243,699	993,738	2,560,044	10,271,690
Disposals	-	-	(664,325)	-	(367,164)	-	-	(1,031,489)
Written-off	-	-	-	-	-	-	(571,626)	(571,626)
31 December 2020	33,305,828	291,550,605	383,840,120	49,252,972	11,404,247	13,609,732	15,611,679	798,575,183
<b>Accumulated depreciation</b>								
1 January 2019	-	115,891,464	208,468,299	26,712,455	6,474,330	11,708,291	-	369,254,839
Depreciation for the year	-	11,130,267	17,758,431	3,304,554	605,883	1,718,950	-	34,518,085
Accumulated depreciation for disposals	-	-	-	-	(649)	(4,387,584)	-	(4,388,233)
Accumulated depreciation for written-off	-	-	(1,636,346)	(381,355)	(82,046)	-	-	(2,099,747)
31 December 2019	-	127,021,731	224,590,384	29,635,654	6,997,518	9,039,657	-	397,284,944
Impact of first-time adoption of new financial reporting standard	-	-	(5,786,056)	-	-	(1,688,424)	-	(7,474,480)
Depreciation for the year	-	11,178,609	16,051,430	3,376,954	674,526	821,309	-	32,102,828
Accumulated depreciation for disposals	-	-	(662,126)	-	(299,439)	-	-	(961,565)
31 December 2020	-	138,200,340	234,193,632	33,012,608	7,372,605	8,172,542	-	420,951,727

(Unit : Baht)

Separate F/S

	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles	Asset in transit and construction in progress	Total
<b>Net book value</b>								
31 December 2019	33,305,828	164,400,874	201,338,050	17,347,120	3,530,194	12,063,907	13,623,261	445,609,234
31 December 2020	33,305,828	153,350,265	149,646,488	16,240,364	4,031,642	5,437,190	15,611,679	377,623,456

**Depreciation for the year 2019**

Cost of sales	31,537,742
Administrative expenses	2,980,343
Total	<u>34,518,085</u>

**Depreciation for the year 2020**

Cost of sales	30,038,877
Administrative expenses	2,063,951
Total	<u>32,102,828</u>

As at 31 December 2020 and 2019, the costs of fully depreciated assets which are still remained in use amounted to Baht 129.82 million and Baht 107.09 million, respectively.

As at 31 December 2020 and 2019, land and buildings of the Company and subsidiary are mortgaged as collaterals for credit facilities with banks as mentioned in Notes 17 and 18.

As at 31 December 2019, the Company's machinery and vehicles with total net book value of Baht 45.51 million, were acquired under finance lease agreements.

## 15. INTANGIBLE ASSETS

	Consolidated F/S				(Unit : Baht) Separate F/S
	Computer Software	Trademarks	Customer Relationships	Total	Computer Software
<b>Cost</b>					
1 January 2019	8,317,953	149,013,627	473,269	157,804,849	7,972,953
Written-off	(180,000)	-	-	(180,000)	-
Exchange differences from financial statements translation	-	(9,501,394)	(30,177)	(9,531,571)	-
31 December 2019	8,137,953	139,512,233	443,092	148,093,278	7,972,953
Acquisitions	698,500	-	-	698,500	633,350
Exchange differences from financial statements translation	-	2,439,778	7,749	2,447,527	-
31 December 2020	8,836,453	141,952,011	450,841	151,239,305	8,606,303
<b>Accumulated amortization</b>					
1 January 2019	6,206,522	4,536,263	54,225	10,797,010	6,076,525
Accumulated amortization for the year	1,047,591	3,613,708	43,039	4,704,338	1,008,772
Amortization for written-off	(31,211)	-	-	(31,211)	-
Exchange differences from financial statements translation	-	(399,292)	(4,953)	(404,245)	-
31 December 2019	7,222,902	7,750,679	92,311	15,065,892	7,085,297
Accumulated amortization for the year	685,353	4,071,607	56,449	4,813,409	655,710
Exchange differences from financial statements translation	-	695,749	1,520	697,269	-
31 December 2020	7,908,255	12,518,035	150,280	20,576,570	7,741,007
<b>Accumulated impairment of asset</b>					
1 January 2019	-	-	-	-	-
Loss from impairment for the year	-	19,681,457	-	19,681,457	-
31 December 2019	-	19,681,457	-	19,681,457	-
31 December 2020	-	19,681,457	-	19,681,457	-
<b>Net book value</b>					
31 December 2019	915,051	112,080,097	350,780	113,345,928	887,656
31 December 2020	928,198	109,752,519	300,561	110,981,278	865,296
<b>Amortization for the year 2019</b>					
Administrative expenses				4,704,339	1,008,772
<b>Amortization for the year 2020</b>					
Administrative expenses				4,813,409	655,710



As at 31 December 2020, the Company reviewed the valuation of trademark of subsidiary companies which derived from the business combination. As result of the recoverable amount higher than the carrying amount. Therefore, the Company do not recognize an additional adjustment for the allowance for impairment of those trademark.

As at 31 December 2019, the Company reviewed the valuation of trademark of subsidiary companies which derived from the business combination. As result of the recoverable amount less than the carrying amount of Baht 19.68 million. Therefore, the Company recorded an adjustment for the allowance for impairment of trademark of Baht 19.68 million.

The follow are principal assumptions for valuation of trademark

	Consolidated F/S	
	2020	2019
Growth rate	5% - 14%	5% - 15.28%
Discount rate	1.65%	2.39%
WACC	10.61% - 10.90%	10.85% - 17.21%

## 16. LEASES

### 16.1 Right-of-use assets

	(Unit : Baht)		
	Consolidated and separated F/S		
	Machinery and Factory tools	Vehicles	Total
<b>Cost</b>			
31 December 2019	-	-	-
Impact of first-time adoption of new financial reporting standard	44,500,000	8,487,570	52,987,570
Acquisitions	-	2,770,094	2,770,094
31 December 2020	<u>44,500,000</u>	<u>11,257,664</u>	<u>55,757,664</u>
<b>Accumulated depreciation</b>			
31 December 2019	-	-	-
Impact of first-time adoption of new financial reporting standard	5,786,056	1,688,424	7,474,480
Depreciation for the year	1,779,200	715,030	2,494,230
31 December 2020	<u>7,565,256</u>	<u>2,403,454</u>	<u>9,968,710</u>
<b>Net book value</b>			
31 December 2020	<u>36,934,744</u>	<u>8,854,210</u>	<u>45,788,954</u>

	(Unit : Baht)		
	Consolidated and separated F/S		
	Machinery and Factory tools	Vehicles	Total
<b>Depreciation for the year 2020</b>			
Cost of sales			1,779,200
Administrative expenses			715,030
Total			<u>2,494,230</u>

## 16.2 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2020	2019
Lease liabilities		
Due within one year	14,336,973	11,442,020
Due later than one year but not over five years	2,078,817	9,494,421
Total	<u>16,415,790</u>	<u>20,936,441</u>
<u>Less</u> Future finance charges on lease liabilities	(674,742)	(1,007,069)
	<u>15,741,048</u>	<u>19,929,372</u>
<u>Less</u> Current portion	(13,902,089)	(10,691,908)
Lease liabilities – net	<u>1,838,959</u>	<u>9,237,464</u>

During the years ended 31 December 2020 and 2019, the Company recognized finance cost which related to leases amounting to Baht 0.84 million and Baht 1.14 million, respectively.

### Lease payments not recognized as liabilities

The Group has elected not to recognize a lease liability for short-term leases (leases with an expected term of 12 months or less) or for low value assets. The expenses relating to payments not included in the measurement of the lease liability for the year ended 31 December 2020 is as follows:

	(Unit : Baht)
	Consolidated and Separate F/S
Short-term leases	-
Leases of low value assets	177,000
Total	<u>177,000</u>

## 17. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANK

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Bank overdraft	335	26,447,326	335	26,447,326
Short-term loan	20,202,797	25,012,635	-	-
Promissory note	100,000,000	115,000,000	100,000,000	115,000,000
Liabilities under trust receipts	7,802,416	6,585,634	7,802,416	6,585,634
<b>Total</b>	<b>128,005,548</b>	<b>173,045,595</b>	<b>107,802,751</b>	<b>148,032,960</b>

As at 31 December 2020 and 2019, the Company and domestic subsidiary has short-term loans credit facility comprise of bank overdraft, promissory note and liabilities under trust receipts bear interest rates at market rate and collateralized by the mortgages of the Company's land and construction as mentioned in Note 14 and personal guaranteed by certain subsidiary company's directors.

As at 31 December 2020 and 2019, the overseas subsidiary company has short-term loans from bank bear interest rate at market rate and secured by pledge of freehold industrial land with office and factory of the subsidiary company and guaranteed by the Company.

## 18. LONG-TERM LOAN

Long-term loan that the Company obtained from a local bank is as follow :

	Interest rate per annum	Principal repayment conditions	(Unit : Baht)	
			Consolidated and Separate F/S	
			2020	2019
Credit line of Baht 100 million	MLR - 3.00% p.a.	Monthly instalments by Baht 1.65 million from August 2015 to June 2020, the remaining will be paid in accordance with the postpone payment letter from bank.	4,300,000	14,200,000
<u>Less</u> Current portion			(4,300,000)	(14,200,000)
Long-term loan - net			-	-

Movements in the long - term loan for the years ended 31 December 2020 and 2019 are as follow :

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2020	2019
Balance as at 1 January	14,200,000	34,000,000
<u>Less</u> Repayment	(9,900,000)	(19,800,000)
Balance as at 31 December	<u>4,300,000</u>	<u>14,200,000</u>

On 22 April 2020, the Company has received a letter from the bank for postpone payment of long-term loans by the Company has been granted for 5-installment since May 2020 and will repay the long-term loan in October 2020. However, the Company still pays the same interest rate throughout the grace period.

Long-term loan is collateralized by the mortgages of the Company's land and construction as mentioned in Note 14.

Under the term of loan agreement, the Company is required to maintain loan covenants as specified in the agreement such as debt to equity and debt service coverage ratios, etc.

#### 19. PAYABLE FOR PURCHASE OF INVESTMENT IN SUBSIDIARY COMPANY

As at 31 December 2020 and 2019, The Company has payable for purchase of investment in subsidiary company of Baht 2.90 million.

#### 20. EMPLOYEE BENEFITS OBLIGATION

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Statement of financial position</b>				
Provision for post-employment benefits obligation	9,459,150	8,358,244	8,103,707	7,167,994
<b>Statement of profit or loss and other comprehensive income:</b>				
<i>Recognized in profit or loss:</i>				
Post-employment benefits	1,100,906	2,647,664	935,713	2,277,999

The Group had established a defined benefit pension plan under the Thai Labour Protection Act B.E 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movements in the present value of the defined benefit obligations for the years end 31 December 2020 and 2019 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Beginning balance as at 1 January	8,358,244	5,710,580	7,167,994	4,889,995
<i>Recognized in profit or loss</i>				
- Past service costs	-	1,622,025	-	1,406,520
- Current service costs	825,079	783,678	699,159	663,710
- Finance cost	275,827	241,961	236,554	207,769
Balance as at 31 December	9,459,150	8,358,244	8,103,707	7,167,994
<u>Less</u> Current portion	(104,414)	-	(104,414)	-
Net	9,354,736	8,358,244	7,999,293	7,167,994

#### *Actuarial assumptions*

The following are principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Discount rate	3.30 percent per annum	3.30 percent per annum	3.30 percent per annum	3.30 percent per annum
Future salary average increment rate	3.00 percent per annum	3.00 percent per annum	3.00 percent per annum	3.00 percent per annum
Normal retirement age	60 years	60 years	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017

#### *Sensitivity analysis*

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
<b>Defined benefit obligation</b>				
Discount rate				
Increment (decrement) of employee benefit obligation	(1,054,817)	1,238,805	(895,007)	1,052,050
Future salary growth				
Increment (decrement) of employee benefit obligation	1,229,761	(1,067,197)	1,044,356	(905,505)
	Increase	Decrease	Increase	Decrease
	10%	10%	10%	10%
<b>Defined benefit obligation</b>				
Turnover rate				
Increment (decrement) of employee benefit obligation	(509,862)	584,773	(431,171)	497,760

On 5 April 2019, the National Legislative Assembly published Labour Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation will be effective from 5 May 2019 and will result in an increase in the employment benefit obligation of Baht 1.62 million in the consolidated financial statements and Baht 1.41 million in the separate financial statements, with a corresponding amount included in the profit and loss accounting in respect of the past service costs.

As at 31 December 2020, expected maturity of employee benefits obligation before discounting are as follow:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Within one year	104,414	104,414
Between 2 - 9 years	4,575,332	4,180,130
	<u>4,679,746</u>	<u>4,284,544</u>

## 21. INCOME TAX AND DEFERRED TAX

Applicable tax rates for the Group are as follows:

	Tax rate (%)	
	2020	2019
Income tax under the Revenue Code of the Company and subsidiaries in Thailand	20	20
Corporate income tax in foreign country	24	24

### 21.1 Deferred tax

Deferred tax assets and liabilities are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Deferred tax assets	163,875	155,646	-	-
Deferred tax liabilities	(45,638,900)	(47,334,571)	(8,783,768)	(10,142,737)
Net	(45,475,025)	(47,178,925)	(8,783,768)	(10,142,737)

Deferred tax assets and liabilities are as follows:

	(Unit : Baht)				
	Consolidated F/S				
	1 January 2020	Recognized in Profit or loss	Other comprehensive income	Exchange differences from financial statements translation	31 December 2020
<b>Deferred tax assets :</b>					
From allowance for impairment losses from accounts receivable	185,238	1,191,345	-	-	1,376,583
From allowance for obsolete and declining value of inventories	205,812	28,491	-	-	234,303
From employee benefits obligation	1,671,649	220,182	-	-	1,891,831
<b>Deferred tax liabilities :</b>					
From differences from depreciation	(12,981,216)	(911,448)	-	(14,437)	(13,907,101)
From intangible assets	(28,413,687)	1,454,584	-	(266,874)	(27,225,977)
From revaluation of asset	(7,856,721)	(133,843)	-	145,900	(7,844,664)
	(47,188,925)	1,849,311	-	(135,411)	(45,475,025)

(Unit : Baht)

	Consolidated F/S				
	1 January 2019	Recognized in		Exchange differences from financial statements translation	31 December 2019
		Profit or loss	Other comprehensive income		
<b>Deferred tax assets :</b>					
From allowance for impairment losses from accounts receivable	142,760	42,478	-	-	185,238
From allowance for obsolete and declining value of inventories	169,785	36,027	-	-	205,812
From employee benefits obligation	1,142,116	529,533	-	-	1,671,649
From provision expense	786,917	(738,188)	-	(48,729)	-
<b>Deferred tax liabilities :</b>					
From differences from depreciation	(12,665,922)	(412,766)	-	97,472	(12,981,216)
From intangible assets	(31,347,312)	(1,458)	-	2,935,083	(28,413,687)
From revaluation of asset	(8,515,856)	131,800	-	527,335	(7,856,721)
	<u>(50,287,512)</u>	<u>(412,574)</u>	<u>-</u>	<u>3,511,161</u>	<u>(47,188,925)</u>

(Unit : Baht)

	Separate F/S			
	1 January 2020	Recognized in		31 December 2020
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets :</b>				
From allowance for impairment losses				
- Trade accounts receivable	185,238	1,191,345	-	1,376,583
- Investment in subsidiary	-	229,550	-	229,550
From allowance for obsolete and declining value of inventories	109,353	(8,586)	-	100,767
From employee benefits obligation	1,433,599	187,143	-	1,620,742
<b>Deferred tax liabilities :</b>				
From differences from depreciation	(11,870,927)	(240,483)	-	(12,111,410)
	<u>(10,142,737)</u>	<u>1,358,969</u>	<u>-</u>	<u>(8,783,768)</u>



(Unit : Baht)

	Separate F/S			31 December 2019
	Recognized in		Other comprehensive income	
	1 January 2019	Profit or loss		
<b>Deferred tax assets :</b>				
From allowance for impairment losses				
from accounts receivable	142,760	42,478	-	185,238
From allowance for obsolete and declining value of inventories	77,373	31,980	-	109,353
From employee benefits obligation	977,999	455,600	-	1,433,599
<b>Deferred tax liabilities :</b>				
From differences from depreciation	(10,957,717)	(913,210)	-	(11,870,927)
	<u>(9,759,585)</u>	<u>(383,152)</u>	<u>-</u>	<u>(10,142,737)</u>

As at 31 December 2020, in the consolidated financial statements have not recognized deferred tax assets from loss carrying forward not over than 7 years of indirect subsidiary company in overseas because they are expected that it will not utilized in taxable for unabsorbed business losses in the future. The expiry of the unabsorbed business losses is as follows:

	Consolidated F/S	
	MYR	Baht
Year assessment 2025	676,000	5,029,440
Year assessment 2026	495,000	3,682,800
Year assessment 2027	999,000	7,432,560
Total	<u>2,170,000</u>	<u>16,144,800</u>

## 21.2 Income tax

### *Income tax recognized in profit or loss*

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Current tax expense</b>				
Current tax income	14,016,442	(279,583)	6,410,538	-
<b>Deferred tax</b>				
Movements in temporary differences	(1,849,311)	412,574	(1,358,969)	383,152
<b>Total income tax</b>	<b>12,167,131</b>	<b>132,991</b>	<b>5,051,569</b>	<b>383,152</b>

Reconciliation of income tax are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Accounting profit (loss) before tax	57,379,729	(19,751,480)	44,465,163	8,411,450
Applicable tax rate (%)	20	20	20	20
Tax multiplied by applicable tax rate	11,475,946	(3,950,296)	8,893,033	1,682,290
Effects :				
Non-deductible expenses	4,170,274	6,522,601	14,000	1,996,250
Different in tax of overseas subsidiaries	536,410	617,451	-	-
Exemption of income and additional expenses	(2,216,001)	(3,299,150)	(2,014,568)	(3,295,388)
Decrease from disposal of investment in subsidiary	41,398	-	-	-
Loss of subsidiaries	-	242,385	-	-
Loss carried forward has not recorded as deferred income tax	(1,840,896)	-	(1,840,896)	-
<b>Income tax</b>	<b>12,167,131</b>	<b>132,991</b>	<b>5,051,569</b>	<b>383,152</b>

## 22. PROMOTION PRIVILEGES

The Company has obtained privileges from the board of investment under the Promotion of Investment Act B.E. 2520, as follows:

Certificate No.	Date	Promoted activity types	Commencing date of revenues generated	Expire date
59-0712-1-014-1-0	25 April 2016	manufacturing vehicle tires	1 October 2016	30 September 2019

The privileges include the following:

- Exemption from import duty on approved imported machinery.
- Exemption from corporate income tax on profits from the promoted activities not exceeding Baht 27,750,000 for a period of three years, commencing the date that income was first derived.
- Exemption from income tax on dividends paid to the shareholders from the profit of the promoted operations during the period in which the corporate income tax is exempted.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Under the announcement of the board of investment no. Por 14/1998, dated 30 December 1998, regarding revenue reporting of a promoted industry, the Company is required to report its revenues in the financial statements separately for promoted and the non-promoted businesses for the years ended 31 December 2020 and 2019 as follows:

	(Unit : Baht)		
	Consolidated F/S		
	For the years ended 31 December		
	Promoted business	Non-promoted business	Total
<b>2020</b>			
Revenue from sales	-	775,845,936	775,845,936
<b>2019</b>			
Revenue from sales	421,834,133	428,796,516	850,630,649

(Unit : Baht)

	Separate F/S		
	For the years ended 31 December		
	Promoted business	Non - promoted business	Total
<b>2020</b>			
Revenue from sales	-	562,709,497	562,709,497
<b>2019</b>			
Revenue from sales	421,834,133	183,158,699	604,992,832

**23. LEGAL RESERVE**

Under the Public Limited Company Act. B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit for the year net of deficit (if any), until the reserve reaches 10 percent of the registered capital. This reserve shall not be distributable for dividends.

**24. DIVIDEND PAYMENT**

At the 2019 Annual General Meeting of shareholders held on 29 March 2019, the shareholders approve to pay dividend from the operating result for the year ended 31 December 2015, for 315.39 million shares at Baht 0.03 per share totalling Baht 9.46 million. This dividend was paid on 26 April 2019.

**25. REVENUE**

<u>Transaction</u>	<u>Description</u>
Type of good	The main product of the Company and subsidiaries consists of tires and tube for motorcycle and bicycle battery, rubber part, shoes and lube oil.
Geographic	The Company has revenue from sale domestic and overseas.
The market or type of customers	Retail customers
Type of contract	The price has been fixed in each invoice
Contract period	Short-term contract
No of performance obligations	The Company has one obligation which produce and sell base on purchase order of each customer.
Revenue recognition	Revenue from sales goods recognized as at point in time.
Sale channels	Goods are direct distributed to customer.

## 26. EXPENSES BY NATURE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
Raw materials and consumable supplies used	342,720,413	412,847,278	327,047,464	391,822,022
Changes in finished goods and work in process	69,771,383	101,270,561	(2,200,939)	5,813,569
Salaries, wages and other employee benefits	145,066,405	159,819,291	104,437,424	111,055,558
Utilities	33,106,650	36,462,119	29,124,369	31,166,689
Depreciation and amortization	44,947,571	46,374,491	35,252,768	35,526,857
Transportation	16,703,921	6,764,826	2,169,307	2,122,603
Advertising	18,745,588	31,764,365	1,673,089	5,681,428
Repair and maintenance	7,848,178	10,351,692	5,997,832	8,486,745
Factory expense	5,394,876	5,777,071	3,115,245	3,434,439
Loss on impairment of intangible asset	-	19,681,457	-	-
Loss on impairment of investment in subsidiary	-	-	1,147,752	-
Other	32,913,585	41,912,803	20,923,807	20,273,318
Total	<u>717,218,570</u>	<u>873,025,954</u>	<u>528,688,118</u>	<u>615,383,228</u>

## 27. PROVIDENT FUND

On June 2013, the Company and subsidiary in Thailand participated to be member in "Sin Sathaporn Fund Provident Fund", which manages by BBL Asset Management Company Limited under the provisions of The Provident Fund Act. B.E.2530. Under the fund regulation, the fund is contributed equally by both the Company and the employees at 2% of their salaries and will be paid to the employees upon termination in accordance with the rules of fund, upon retirement, death or resignation from the member.

For the year ended 31 December 2020, the Company and subsidiary company in Thailand have paid for the contribution into the fund amounting to Baht 0.09 million and Baht 0.03 million, respectively, and for the year ended 31 December 2019, the Company and subsidiary companies have paid for the contribution into the fund amounting to Baht 0.09 million and Baht 0.03 million, respectively.

During the year ended 31 December 2020, the subsidiary company received the refund from the Company's contribution amounting to Baht 0.05 million of resigned employee who had working experienced less than 5 years.

## 28. SEGMENTAL FINANCIAL INFORMATION

The financial information classified by products for the years ended 31 December 2020 and 2019 are presented as follow :

	Consolidated F/S										(Unit : Thousand Baht)			
	For the year ended 31 December 2020													
	Tires		Tubes		Battery		Rubber part		Shoe			Lube Oil & synthetic		
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Others	Eliminated	Total	
<b>Sales</b>														
At point in time	157,299	502,381	71,546	146,638	40,060	41,179	24,524	3,434	5,985	(217,200)			775,846	
Over the time	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<u>157,299</u>	<u>502,381</u>	<u>71,546</u>	<u>146,638</u>	<u>40,060</u>	<u>41,179</u>	<u>24,524</u>	<u>3,434</u>	<u>5,985</u>	<u>(217,200)</u>			<u>775,846</u>	
Cost of sales														
<b>Gross profit</b>														
Interest expenses													(6,826)	
Depreciation and amortization													(44,948)	
Profit before income tax													57,380	
Trade accounts receivable - general customers													103,351	
Property, plant and equipment													538,709	
Other assets													443,080	
<b>Total assets</b>													<u>1,085,140</u>	
<b>Total liabilities</b>													<u>331,029</u>	

(Unit : Thousand Baht)

Consolidated F/S

For the year ended 31 December 2019

	Tires		Tubes		Battery		Rubber part		Shoe		Lube Oil & synthetic		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Overseas				
Sales															
At point in time	202,759	483,807	102,192	129,868	50,715	51,741	48,771	48,771	4,997	14,090	(238,309)	850,631			
Over the time	-	-	-	-	-	-	-	-	-	-	-	-			
	<u>202,759</u>	<u>483,807</u>	<u>102,192</u>	<u>129,868</u>	<u>50,715</u>	<u>51,741</u>	<u>48,771</u>	<u>48,771</u>	<u>4,997</u>	<u>14,090</u>	<u>(238,309)</u>	<u>850,631</u>			
Cost of sales															
<b>Gross profit</b>															
Interest expenses															(8,592)
Depreciation and amortization															(46,374)
Loss on impairment of intangible asset															(19,681)
Loss before income tax															(19,751)
Trade accounts receivable - general customers															114,331
Property, plant and equipment															617,394
Other assets															329,629
<b>Total assets</b>															<u>1,061,354</u>
<b>Total liabilities</b>															<u>358,687</u>

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 and assess its operations.

#### Major Customer

For the year ended 31 December 2020, the Company's sales are made to 1 overseas customer amounting of Baht 40.86 million.

## 29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Baht)

	Consolidated F/S			Total
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Lease liabilities	
1 January 2020	173,045,595	14,200,000	19,929,372	207,174,967
<b>Cash-flows:</b>				
Repayment	(900,537,135)	(9,900,000)	(6,958,418)	(917,395,553)
Proceeds	855,079,031	-	-	855,079,031
<b>Non-cash:</b>				
Increased in right-of-use assets	-	-	2,770,094	2,770,094
Unrealized loss from exchange rate	21,775	-	-	21,775
Translation adjustment	396,282	-	-	396,282
31 December 2020	128,005,548	4,300,000	15,741,048	148,046,596

(Unit : Baht)

	Consolidated F/S			Total
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	
1 January 2019	156,748,074	34,000,000	28,682,157	219,430,231
<b>Cash-flows:</b>				
Repayment	(722,629,757)	(19,800,000)	(8,752,785)	(751,182,542)
Proceeds	740,569,795	-	-	740,569,795
<b>Non-cash:</b>				
Unrealized loss from exchange rate	188,644	-	-	188,644
Translation adjustment	(1,831,161)	-	-	(1,831,161)
31 December 2019	173,045,595	14,200,000	19,929,372	207,174,967



(Unit : Baht)

	Separate F/S			Total
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Lease liabilities	
1 January 2020	148,032,960	14,200,000	19,929,372	182,162,332
<b>Cash-flows:</b>				
Repayment	(895,331,015)	(9,900,000)	(6,958,418)	(912,189,433)
Proceeds	855,079,031	-	-	855,079,031
<b>Non-cash:</b>				
Increased in right-of-use assets	-	-	2,770,094	2,770,094
Unrealized loss from exchange rate	21,775	-	-	21,775
31 December 2020	107,802,751	4,300,000	15,741,048	127,843,799

(Unit : Baht)

	Separate F/S			Total
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	
1 January 2019	125,525,874	34,000,000	28,682,157	188,208,031
<b>Cash-flows:</b>				
Repayment	(692,643,232)	(19,800,000)	(8,752,785)	(721,196,017)
Proceeds	714,961,674	-	-	714,961,674
<b>Non-cash:</b>				
Unrealized loss from exchange rate	188,644	-	-	188,644
31 December 2019	148,032,960	14,200,000	19,929,372	182,162,332

### 30. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, restricted deposits with banks, trade accounts receivable and payable, short-term loan and long-term loan. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

### Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk, the Group periodically assess the financial viability of customers.

As at 31 December 2020 and 2019, the financial instrument classified by the periods of time from the date on the statements of financial position to their maturity dates are as follows:

(Unit : Baht)

	Consolidated F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	125,766,012	-	-	125,766,012
Temporary investment	14,233,261	-	-	14,233,261
Trade accounts receivable	103,999,033	-	-	103,999,033
Other accounts receivable	2,502,113	-	-	2,502,113
Bank overdraft and short-term loans from banks	20,203,132	107,802,416	-	128,005,548
Trade accounts payable	68,858,342	-	-	68,858,342
Payable for purchases of fixed assets	2,815,998	-	-	2,815,998
Lease liabilities	-	13,902,089	1,838,959	15,741,048
Long-term loans from banks	-	4,300,000	-	4,300,000

(Unit : Baht)

	Consolidated F/S			
	2019			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	72,656,164	-	-	72,656,164
Temporary investment	254,982	-	-	254,982
Trade accounts receivable	114,896,269	-	-	114,896,269
Other accounts receivable	3,172,988	-	-	3,172,988
Bank overdraft and short-term loans from banks	51,459,961	121,585,634	-	173,045,595
Trade accounts payable	50,343,775	-	-	50,343,775
Payable for purchases of fixed assets	480,182	-	-	480,182
Liabilities under finance lease agreements	-	10,691,908	9,237,464	19,929,372
Long-term loans from banks	-	14,200,000	-	14,200,000

(Unit : Baht)

	Separate F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	31,142,328	-	-	31,142,328
Temporary investment	14,233,261	-	-	14,233,261
Trade accounts receivable	61,409,386	-	-	61,409,386
Bank overdraft and short-term loans from banks	335	107,802,416	-	107,802,751
Trade accounts payable	63,711,016	-	-	63,711,016
Amount due to subsidiary company	84,595	-	-	84,595
Payable for purchases of fixed assets	2,815,998	-	-	2,815,998
Lease liabilities	-	13,902,089	1,838,959	15,741,048
Long-term loans from bank	-	4,300,000	-	4,300,000

(Unit : Baht)

	Separate F/S			
	2019			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	5,894,619	-	-	5,894,619
Temporary investment	254,982	-	-	254,982
Trade accounts receivable	78,099,329	-	-	78,099,329
Amount due from subsidiary company	88,283	-	-	88,283
Bank overdraft and short-term loans from banks	26,447,326	121,585,634	-	148,032,960
Trade accounts payable	46,386,280	-	-	46,386,280
Amount due to subsidiary company	52,747	-	-	52,747
Payable for purchases of fixed assets	480,182	-	-	480,182
Liabilities under finance lease agreements	-	10,691,908	9,237,464	19,929,372
Long-term loans from bank	-	14,200,000	-	14,200,000

Credit Risk

The Group provide credit term on its trade transactions. The Group manage its exposure to credit risk by closely monitoring collection of accounts receivable and focuses on overdue accounts.

The Group measurement by expected credit loss that occur over the life for all the receivables. It is no longer necessary for a credit event to occur before credit losses are recognizes.

Interest Rate Risk

Interest rate risk arises is that future movement of market interest rates, which may have a negative effect to current and future operations of the Group. Management believes that the interest rate risk is minimum, hence, the Group have no hedging agreement to protect against such risk.

(Unit : Baht)

	Consolidated F/S				
	2020				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	15,824,035	-	109,941,977	125,766,012	0.05% - 0.80%
Temporary investment	-	-	14,233,261	14,233,261	-
Trade accounts receivable	-	-	103,999,033	103,999,033	-
Other receivables	-	-	2,502,113	2,502,113	-
Bank overdraft and short-term loans from banks	128,005,548	-	-	128,005,548	Market rate
Trade accounts payable	-	-	68,858,342	68,858,342	-
Payable for purchases of fixed assets	-	-	2,815,998	2,815,998	-
Lease liabilities	-	15,741,048	-	15,741,048	3.80% - 11.06%
Long-term loans from banks	4,300,000	-	-	4,300,000	MLR - 3.00%

(Unit : Baht)

	Consolidated F/S				
	2019				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	5,300,869	-	67,355,295	72,656,164	0.22% - 0.50%
Temporary investment	-	-	254,982	254,982	-
Trade accounts receivable	-	-	114,896,269	114,896,269	-
Other accounts receivable	-	-	3,172,989	3,172,989	-
Bank overdraft and short-term loans from banks	173,045,595	-	-	173,045,595	Market rate
Trade accounts payable	-	-	50,343,775	50,343,775	-
Payable for purchases of fixed assets	-	-	480,182	480,182	-
Liabilities under finance lease agreements	-	19,929,372	-	19,929,372	3.80% - 11.06%
Long-term loans from banks	14,200,000	-	-	14,200,000	MLR - 3.00%

(Unit : Baht)

	Separate F/S				Interest rate (% per annum)
	2020				
	Floated rate	Fixed rate	No interest	Total	
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	15,824,035	-	15,318,293	31,142,328	0.05% - 0.13%
Temporary investment	-	-	14,233,261	14,233,261	-
Trade accounts receivable	-	-	61,409,386	61,409,386	-
Bank overdraft and short-term loans from banks	107,802,751	-	-	107,802,751	Market rate
Trade accounts payable	-	-	63,711,017	63,711,017	-
Other payable	-	-	84,595	84,595	-
Payable for purchases of fixed assets	-	-	2,815,998	2,815,998	-
Lease liabilities	-	15,741,048	-	15,741,048	3.84% - 14.39%
Long-term loan from bank	4,300,000	-	-	4,300,000	MLR - 3.00 %

(Unit : Baht)

	Separate F/S				Interest rate (% per annum)
	2019				
	Floated rate	Fixed rate	No interest	Total	
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	2,935,728	-	2,958,891	5,894,619	0.25% - 0.50%
Temporary investment	-	-	254,982	254,982	-
Trade accounts receivable	-	-	78,099,329	78,099,329	-
Other accounts receivable	-	-	88,283	88,283	-
Bank overdraft and short-term loans from banks	148,032,960	-	-	148,032,960	Market rate
Trade accounts payable	-	-	46,386,280	46,386,280	-
Other payable	-	-	52,747	52,747	-
Payable for purchases of fixed assets	-	-	480,182	480,182	-
Liabilities under finance lease agreements	-	19,929,372	-	19,929,372	3.80% - 11.06%
Long-term loan from bank	14,200,000	-	-	14,200,000	MLR - 3.00%

Foreign Currency Risk

The Company exposure for foreign currency risk relates primarily to its trade accounts receivable and payable which are denominated in foreign currencies. The Company entering into the forward exchange contracts for accounts receivable to reduce exposure on foreign currency risk.

As at 31 December 2020, the Company has financial assets and liabilities in foreign currencies as follow :

	Consolidated and Separate F/S		
	31 December 2020		
	Foreign currencies	Exchange rate	Baht equivalent
<u>Cash and Cash at bank</u>			
USD	142,284	29.87	4,249,664
MYR	12,094,171	7.33	88,650,273
<u>Trade accounts receivable</u>			
MYR	7,517,750	7.33	55,105,108
<u>Liabilities under trust receipt</u>			
USD	115,500	30.21	3,488,885
<u>Trade accounts payable</u>			
EUR	3,710	37.26	138,235
USD	22,224	30.21	671,387
MYR	161,657	7.54	1,218,894
<u>Fair value of financial instruments</u>			

The following methods and assumptions are used to estimate the fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short term.

### 31. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

As at 31 December 2020 and 2019, Financial assets and financial liabilities measured at fair value are as follows :

		(Unit : Thousand Baht)			
		Consolidated and Separate F/S			
		31 December 2020			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Fixed income fund		-	14,233	-	14,233

		(Unit : Thousand Baht)			
		Consolidated and Separate F/S			
		31 December 2019			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Fixed income fund		-	255	-	255

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2020

32.1 The Company has commitments for machinery under installation of Baht 2.18 million.

32.2 The Group have commitment under letter of guarantee issued by bank of Baht 5.96 million (Separate F/S : Baht 5.45 million) for electricity usage and purchase of raw materials.

32.3 The Company has obligations under a domestic bank guarantees for performance bonds required in the normal course of businesses approximately of USD 10,000.

32.4 The Group have credit facilities and contingent liabilities from financial institution as at 31 December 2020 as follows :

(Unit : Baht)

	Consolidated F/S		
	Credit line	Used	Balance
<b>Credit facilities</b>			
Bank overdraft	39,500,000	335	39,499,665
Short-term loan	213,332,050	120,202,797	93,129,253
Long-term loan	100,000,000	4,300,000	95,700,000
Forward contract	260,000,000	-	260,000,000
<b>Contingent liabilities</b>			
Letter of guarantee	16,500,000	5,963,600	10,536,400
Letter of credit and trust receipts (occasionally)	90,000,000	7,802,416	82,197,584
Bill for collection	3,000,000	-	3,000,000
Lease agreements	51,943,652	15,741,048	36,202,604

(Unit : Baht)

	Separate F/S		
	Credit line	Used	Balance
<b>Credit facilities</b>			
Bank overdraft	30,000,000	335	29,999,665
Short-term loan	165,000,000	100,000,000	65,000,000
Long-term loan	100,000,000	4,300,000	95,700,000
Forward contract	260,000,000	-	260,000,000
<b>Contingent liabilities</b>			
Letter of guarantee	16,000,000	5,485,000	10,515,000
Letter of credit and trust receipts (occasionally)	90,000,000	7,802,416	82,197,584
Bill for collection	3,000,000	-	3,000,000
Lease agreements	51,943,652	15,741,048	36,202,604



### **33. CAPITAL RISK MANAGEMENT**

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust policy for distribution dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

### **34. EVENTS AFTER REPORTING PERIOD**

At the Board of Directors Meeting no. 1/2021, held on 23 February 2021, the Board of Directors passed resolutions to approve the following:

- To decrease of the Company's registered share capital from Baht 387,470,188 to Baht 315,391,514 by cancelling 72,078,674 shares at Baht 1 par value which are the remaining ordinary share which reserved for the exercise of warrants NDR-W1.
- To increase of the Company's registered share capital that offering to specified persons (Private placement) by issuing new share capital of the Company from Baht 315,391,514 to Baht 346,891,514 by issuing not exceed 31,500,000 new common shares at Baht 1 par value.

### **35. AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's Board of Directors on 23 February 2021.

