

STARK CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
“UNAUDITED”

1. OPERATION AND GENERAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

1.1 The operations and general information of the Company

Stark Corporation Public Company Limited (“the Company”) was registered as a Company Limited in accordance with the Civil and Commercial Code on June 7, 1990, and registered as the Public Company Limited on December 30, 2004, with the registration number 0107546000466. Its registered head office at 518/5 Maneeya Center Building, 16th Floor, Ploenchit Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok. In year 2019, the Company changes its main business activity from producing and distributing cartoon books, pocket books, and printed items, operating radio stations, advertising business, satellite television station, rental of assets and sales rights and marketing management for sport activities to be holding company .

As at September 30, 2020 and December 31, 2019, major shareholder of the Company to Mr. Vonnarat Tangkaravakoon, holdin 67.60% and 69.29%, respectively, of registered issued and paid-up capital according to business restructuring.

On March 23, 2020, the Extraordinary Shareholder Meeting No. 1/2020 of the Company approve the Company to issue and offer debt security to private placement within the credit limit not exceeding USD 150 million to increase the Company’s liquidity for business operations and future projects. The debt security is security under the Securities and Exchange Act B.E. 2535, including, but not limited to, debenture, short-term debenture, note and any type of note, with or without collateral, subordinate or non-subordinate, convertible or non-convertible, specify holder with or without custodian (in case of debenture) and offer to geneal investor, major investor and/or local and/or overseas institution according to the Notificatio of the Securities and Exchange Commission and/or the Notification of the Office of the Securities and Exchange Commission and/or the Notification of the Capital Market Supervisory Board and/or other related regulatios effective on the date of issue and offer the debt security. The Company still does not issue and offer such debt security.

On May 13, 2020, the Annual General Meeting 2020 of the Company which has passed a resolution to approve decrease in par value of shares from Baht 0.59 per share to be Baht 0.50 per share to compensate the Company’s discount on ordinary shares and deficit, the Company has decreased its authorized share capital and registered for capital decrease with the Ministry of Commerce already on July 15, 2020 (see Note 34).

On August 3, 2020, the Board of Directors' Meeting of the Company passes the resolution to approve an establishment of Stark Asset Management Co., Ltd. with the registered share capital of Baht 25 million comprising ordinary share of 250,000 shares at par value of Baht 100 each and the Company's subsidiary approve submission of application for registration of International Business Center and Treasury Center. As at September 30, 2020, the Company and the Company's subsidiary are in the process for establishment of such company.

As at September 30, 2020, the Group has total current liabilities exceeding total current assets in the consolidated and separate financial statements of Baht 3,824.77 million and Baht 468.35 million, respectively. However, the Group's management believes that the preparation of the interim financial statements applying going concern basis is still appropriate because in the consolidated financial statements, the Group is able to renew partial short-term borrowing from financial institution to be long-term borrowing in accordance with the condition specified in the borrowing agreement and the Group has working capital management plan for payments of current liabilities. For the separate financial statements, the Company operates investing on other companies, therefore, 2 subsidiaries issued the letters confirming that it will provide financial support for the Company to continue the operation at least for the twelve month after the letter date.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impact most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

1.2 Purchase of business in year 2020

On February 18, 2020, a subsidiary had invested in share capital of PD CABLE (SG) PTE. LTD. ("PD Cable"), incorporated under the laws of Singapore and conducting business as holding company, by purchasing ordinary shares of 10,000 shares which was 100% of total ordinary share of such company in totaling USD 10,000 or equivalent Baht 313,899.

On March 23, 2020, the Extraordinary Shareholder Meeting No. 1/2020 approved the resolution to purchase shares in Thinh Phat Cables Joint Stock ("TPC") and Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN"), which are companies incorporated under the laws of the Socialist Republic of Vietnam and conducting business as electric wires, cables and non-ferrous manufacturer, of 100% of ordinary shares through PD Cable. PD Cable paid consideration payment by cash of USD 198.50 million or equivalent Baht 6,485.23 million on March 31, 2020.

Net identifiable assets of acquires as at the business purchase date are as follows:

Thinh Phat Cables Joint Stock Company

	Unit : Baht
Cash and cash equivalents	176,271,220
Trade and other current receivables	662,397,487
Inventories	981,150,062
Cash at bank pledged as collateral	121,063,200
Advance payments for purchases of fixed assets	998,468
Property, plant and equipment	775,612,646
Right-of-use assets	61,430,617
Licence fee	1,049,477
Copyright	650,738
Deferred tax asset	4,732,707
Other non-current assets	7,764,829
Bank overdraft and short-term borrowings from financial institutions	(1,239,921,392)
Trade and other current payables	(575,239,525)
Current portion of lease liabilities	(15,429,788)
Corporate income tax payable	(5,975,033)
Other current liabilities	(4,508,494)
Lease liabilities	(46,785,007)
Provisions for employee benefits	(10,795,625)
Other non-current liabilities	(811,688)
Net identifiable assets and liabilities	893,654,899
<u>Less</u> Consideration paid	(5,317,891,224)
Goodwill	4,424,236,325

Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company

	Unit : Baht
Cash and cash equivalents	42,360,264
Trade and other current receivables	228,246,527
Inventories	475,643,297
Cash at bank pledged as collateral - current	109,592,600
Cash at bank pledged as collateral	27,640,000
Property, plant and equipment	457,618,028
Right-of-use assets	128,926,719
Intangible asset	1,157,614
Bank overdraft and short-term borrowings from financial institutions	(682,146,121)
Trade and other current payables	(143,914,384)
Current portion of long-term borrowings from financial institutions	(41,465,640)
Current portion of lease liabilities	(110,447)
Corporate income tax payable	(234,986)
Other current liabilities	(3,894,512)
Long-term borrowings from financial institutions	(13,226,469)
Lease liabilities	(2,151,596)
Net identifiable assets and liabilities	584,040,894
<u>Less</u> Consideration paid	(1,167,341,976)
Goodwill	583,301,082

The Group has been in the process of appraising fair value of acquired assets and liabilities from business combination. Therefore, the Group has not accounted for the adjustment to fair value of these net assets in consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020. However, the management expected to have such appraisals complete within 12 months from the acquisition date.

Since the acquisition date up to September 30, 2020, TPC and DVN had revenue amounting Baht 1,131.42 million and Baht 1,078.53 million, respectively and net profit amounting Baht 14.89 million and Baht 133.77 million, respectively, which were included in the financial performance for the three-month period ended September 30, 2020.

Since the acquisition date up to September 30, 2020, TPC and DVN had revenue amounting Baht 2,268.60 million and Baht 1,641.81 million, respectively and net profit amounting Baht 125.01 million and Baht 86.31 million, respectively, which were included in the financial performance for the nine-month period ended September 30, 2020.

For the preparation of the consolidated interim financial statements for the nine-month period ended September 30, 2020, the Group used net assets value from interim financial information of TPC and DVN and recorded the difference amount between the purchase price and the consideration paid as goodwill.

On March 27, 2020, the Board of Directors Meeting No. 4/2020 of the Company approved the Company and a subsidiary investing in Thai Cable International Co., Ltd. ("TCI"), which conducts business as electric wires and small cables manufacturer, through the ordinary share purchase of N M N Holding 2 Company Limited ("NMN2"), which was holding company. The subsidiary has paid consideration payment for the ordinary share purchase by cash of Baht 41 million on April 1, 2020. The Company has control over NMN2 and TCI from April 1, 2020.

Net identifiable assets of acquires as at the business purchase date are as follows:

NMN Holding 2 Company Limited and its subsidiary

	Unit : Baht
Cash and cash equivalents	27,652,872
Trade and other current receivables	213,513,997
Short-term loans to related companies	86,830,725
Inventories	1,373,918,009
Other current assets	11,633,189
Property, plant and equipment	373,642,941
Intangible asset	4,493
Deferred tax assets	2,054,343
Bank overdraft and short-term borrowings from financial institutions	(1,015,602,195)
Trade and other current payables	(26,158,890)
Current portion of long-term borrowings from financial institutions	(153,342,000)
Other short-term borrowings and from related person	(504,205,160)
Corporate income tax payable	(3,083,620)
Other current liabilities	(95,312)
Long-term borrowings from financial institutions	(499,610,964)
Provisions for employee benefits	(5,776,567)
Net identifiable assets and liabilities	(118,624,139)
<u>Less</u> Consideration paid	(41,000,200)
Goodwill	<u>159,624,339</u>

The Group has been in the process of appraising fair value of acquired assets and liabilities from business combination. Therefore, the Group has not accounted for the adjustment to fair value of these net assets in consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020. However, the management expected to have such appraisals complete within 12 months from the acquisition date.

Since the acquisition date up to September 30, 2020, NMN2 and its subsidiary had revenue amounting Baht 159.32 million and net profit amounting Baht 2.30 million, which were included in the financial performance for the three-month period ended September 30, 2020.

Since the acquisition date up to September 30, 2020, NMN2 and its subsidiary had revenue amounting Baht 428.18 million and net profit amounting Baht 12.83 million, which were included in the financial performance for the nine-month period ended September 30, 2020.

For the preparation of the consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020, the Group used net assets value from interim financial information of NMN2 and its subsidiary and recorded the difference amount between the purchase price and the consideration paid as goodwill.

1.3 Operation and general information of subsidiaries and associate

The Company has subsidiaries and an associate (together called as the “Group”), by holding the shares in subsidiaries and an associate as follows:

	As at September 30, 2020 Percentage of Investments (%)	As at December 31, 2019 Percentage of Investments (%)
Direct subsidiaries		
SMM Plus Company Limited ⁽¹⁾	-	-
Phelps Dodge International (Thailand) Limited ⁽²⁾	99.28	99.28
PDTL Trading Company Limited ⁽²⁾	49.00	49.00
Adisorn Songkhla Company Limited ⁽³⁾	99.99	99.99
Indirect subsidiaries		
ADS Logistic Co., Ltd. ⁽⁴⁾	51.00	51.00
Adisornsongkhla International Co., Ltd. ⁽⁵⁾	99.97	99.97
Adisornsongkhla Marine Co., Ltd. ⁽⁵⁾	99.97	99.97
Adisornsongkhla Professional Co., Ltd. ⁽⁵⁾	99.97	99.97
PD Cable (SG) PTE. LTD. ⁽⁶⁾	100.00	-
Thinh Phat Cables Joint Stock Company ⁽⁷⁾	100.00	-
Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ⁽⁷⁾	100.00	-
NMN Holding 2 Co., Ltd. ⁽⁸⁾	100.00	-
Thai Cable International Co., Ltd. ⁽⁹⁾	100.00	-
Indirect an associate		
Thai Copper Rod Company Limited ⁽¹⁰⁾	22.31	22.31

- (1) The Company held shares of SMM Plus Company Limited by 99.97% since January 9, 2019 and sold share of SMM Plus Company Limited on August 15, 2019 already.
- (2) The Company has acquired share of Phelps Dodge International (Thailand) Limited and PDTL Trading Co., Ltd. from receiving of the entire business transfer of Team A Holding 2 Co., Ltd. as share subscription payment instead of cash payment.
- (3) The Company has acquired share of Adisorn Songkhla Company Limited from receiving of the entire business transfer of Pinwheel 2 Co., Ltd. (see Note 2.3.5)
- (4) Shares of ADS Logistic Co., Ltd. are held by Adisorn Songkhla Company Limited by 51.00%.
- (5) Shares of Adisornsongkhla International Co., Ltd., Adisornsongkhla Marine Co., Ltd. and Adisornsongkhla Professional Co., Ltd. are held by Adisorn Songkhla Company Limited by 99.97%.
- (6) Shares of PD Cable (SG) PTE. LTD. are held by Phelps Dodge International (Thailand) Limited by 100%.
- (7) Shares of Thinh Phat Cables Joint Stock Company and Dong Viet Non-Ferrous Metal And Plastic Joint Stock Company are held by PD Cable (SG) PTE. LTD. by 100% and 100%, respectively.
- (8) Shares of NMN Holding 2 Co., Ltd. held by Phelps Dodge International (Thailand) Limited by 99.99%, Stark Corporation Public Co., Ltd. and Adisorn Songkhla Co., Ltd. by 0.01%.
- (9) Shares of Thai Cable International Co., Ltd. held by NMN Holding 2 Co., Ltd. by 99.99%, Stark Corporation Public Co., Ltd. and Adisorn Songkhla Co., Ltd. by 0.01%.
- (10) Shares of Thai Copper Rod Company Limited are held by Phelps Dodge International (Thailand) Limited and PDTL Trading Co., Ltd. by 20% and 5%, respectively.

The principal business of subsidiaries and an associate is summarized as follows:

1.3.1 SMM Plus Company Limited was registered as a Company Limited in accordance with the Civil and Commercial Code on January 9, 2019; with registered share capital of Baht 1 million which 99.97% of registered share capital, totaling investment in a subsidiary of Baht 999,700. The main business activity is producing and distributing cartoon books, pocket books, and printed items, operating radio stations, satellite television station, advertising business, rental of assets and sales rights and marketing management for sport activities. Its registered head office is located at 459 Soi Phibun Uppatham, Samsennok, Huai Khwang, Bangkok, Thailand. However, the Company's Extraordinary Shareholders Meeting on April 11, 2019 has passed a resolution to sell the investment in such subsidiary. The Company has already sold investment in subsidiary on August 15, 2019.

1.3.2 Phelps Dodge International (Thailand) Limited was registered in Thailand. Its principal businesses are manufacturing, trading, and providing the service test of the wire products made from copper and aluminum, in order to be used in the electrical transition, telecommunications and construction. Its registered offices are as follows:

Head office : 159 Moo 10, Theparak Road, Tambol Bangpla, Ampur Bangplee, Samutprakarn

Branch office No. 1 : 518/5 Maneeya Center Building, 16th Floor, Ploenchit Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok

Branch office No. 2 : 9/9 Moo 4, Tambol Nikom Patana, Ampur Nikom Patana, Rayong

As at September 30, 2020, the Company has current liabilities exceeding current assets. However, the Group's management believes that the preparation of the interim financial statements applying going concern basis is still appropriate because the Company is able to renew partial short-term borrowing from financial institution to be long-term borrowing in accordance with the condition specified in the borrowing agreement and the Group has working capital management plan for payments of current liabilities.

1.3.3 PDTL Trading Company Limited was registered in Thailand with its office located at 518/5 Maneeya Center Building, 16th Floor, Ploenchit Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok. Its principal activities are related to the sales and distribution of accessories for energy and telecommunication applications and trading of any other materials.

During the nine-month period ended September 30, 2020, PDTL Trading Company Limited had no sales and purchase transaction, and had not engaged into any business operation. The Group's management has evaluated that the discontinuation of its operation has no significant effect to an entity's ability to continue as a going concern because PDTL Trading Co., Ltd. has no plan and for crease operation its total current asset was greater than its current liabilities as at September 30, 2020.

- 1.3.4 Adisorn Songkhla Company Limited was registered in Thailand. Its principal businesses are rendering manpower service, rental properties, transportation service and providing consultancy services on petroleum business. Its registered offices are as follows:

Head office : 39/15 Moo 10, Karnjanavanit Road, Tambol Khao Rup Chang, Ampur Muang, Songkhla

Branch office No. 1 : 555 Rasa Tower 1 Building, Phahonyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok

Branch office No. 2 : 141/2 Moo 2, Tambol Mai Khao, Ampur Tha Lang, Phuket

Branch office No. 3 : 174/1 Moo 5, Tambol Pak Nam, Ampur Muang, Ranong

- 1.3.5 ADS Logistic Co., Ltd. was registered in Thailand. Its principal businesse is warehouse rental. Its registered office is 39/15 Moo 10, Karnjanavanit Road, Tambol Khao Rup Chang, Ampur Muang, Songkhla.
- 1.3.6 Adisornsongkhla International Co., Ltd. was registered as a Company Limited in accordance with the Civil and Commercial Code on March 14, 2019; with registered share capital of Baht 1 million and called and paid on the same day. The main business activity is human resource service business and provide other service related to the pertroleum business, especially on human resource services business for international customers. Its registered office is 39/15 Moo 10, Karnjanavanit Road, Tambol Khao Rup Chang, Ampur Muang, Songkhla. During the nine-month period ended September 30, 2020, this company has not yet operated.
- 1.3.7 Adisornsongkhla Marine Co., Ltd. was registered as a Company Limited in accordance with the Civil and Commercial Code on March 14, 2019; with registered share capital of Baht 1 million and called and paid on the same day. The main business activity is human resource service business and provide other service related to the pertroleum business, especially on human resource services business for marine customers. Its registered office is 39/15 Moo 10, Karnjanavanit Road, Tambol Khao Rup Chang, Ampur Muang, Songkhla. During the nine-month period ended September 30, 2020, this company has not yet operated.

- 1.3.8 Adisornsongkhla Professional Co., Ltd. was registered as a Company Limited in accordance with the Civil and Commercial Code on March 14, 2019; with registered share capital of Baht 1 million and called and paid on the same day. The main business activity is human resource service business and provide other service related to the petroleum business, especially on human resource services business for domestic customers. Its registered office is 39/15 Moo 10, Karnjanavanit Road, Tambol Khao Rup Chang, Ampur Muang, Songkhla. During the nine-month period ended September 30, 2020, this company has not yet operated.
- 1.3.9 Thai Copper Rod Company Limited was registered in Thailand with its office located at 518/5 Maneeya Center Building, 16th Floor, Ploenchit Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok and its factory address is at 22/2 Moo 5, Theparak Road, K.M. 11.5, Tambol Bangpleeyai, Ampur Bangplee, Samutprakarn. Its principal activity is the tolling of copper rod.
- 1.3.10 PD Cable (SG) PTE. LTD. was registered in Singapore operating as holding company. Its office is located at 1 RAFFLES PLACE #28-02 ONE RAFFLES PLACE SINGAPORE (048616).
- 1.3.11 Thinh Phat Cables Joint Stock Company was registered under the laws of the Socialist Republic of Vietnam on July 1, 2019 with the registered capital of VND 560 million. Its major business is to manufacture electric wires, cables and non-ferrous manufacturer. Its office is located at 144A Ho Hoc Lam, An Lac, Binh Tan, HO Chi Minh, Vietnam.
- 1.3.12 Dong Viet Non-Ferrous Metal And Plastic Joint Stock Company was registered under the laws of the Socialist Republic of Vietnam on July 8, 2019 with the registered capital of VND 250 million. Its major business is to import and manufacture copper and aluminium. Its office is located at 35, Duong So 10, An Loi Dong, Quan 2, Ho Chi Minh, Vietnam.
- 1.3.13 NMN Holding 2 Co., Ltd. was registered in Thailand operating as holding company. Its registered office is located at Moo 4, Tambol Om Noi, Ampur Krathumbaen, Samut Sakhon.
- 1.3.14 Thai Cable International Co., Ltd. was registered in Thailand. Its principal businesses are electric wires and small cable manufacturer. Its registered office is located at Moo 4, Tambol Om Noi, Ampur Krathumbaen, Samut Sakhon.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 3) B.E. 2562” date December 26, 2019. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

Items in the financial statements presented as comparative information have been reclassified to conform to the classification used in the current period financial statements. Reclassifications have no impact on net profit, comprehensive income and shareholders’ equity which were previously reported.

- 2.2 Basis of preparation of the consolidated financial statements

2.2.1 These consolidated financial statements are prepared by using the reverse acquisition which Stark Corporation Public Company Limited is the legal parent company (accounting acquiree) and Team A Holding 2 Company Limited is the legal subsidiary (accounting acquirer) and the business combination under common control which Adisorn Songkhla Company Limited is acquiree as if Adisorn Songkhla Company Limited and its subsidiaries have been subsidiaries since day one.

2.2.2 The consolidated financial statements are the consolidation between the Company and its subsidiaries’ accounts by eliminated intercompany transactions and balances including unrealized gain or loss from these consolidated financial statements. The accounting policies of subsidiaries are adjusted to comply with the parent company in preparation of the consolidated financial statements. The non-controlling interests’ information is separately presented in the consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income.

2.2.3 Cost of reverse acquisition

On July 9, 2019 which is the revert acquisition date, the fair value of considerations transferred as at the date of business combination by Team A Holding 2 Company Limited for exchanging with interest in Stark Corporation Public Company Limited was calculated from the number of ordinary shares of Team A Holding 2 Company Limited which would have had to issue to shareholders of Stark Corporation Public Company Limited in order to maintain the interest in the combined company in the same proportion of the interest arising from the reverse acquisition. The fair value of consideration paid was Baht 472.31 million and fair value of net identifiable asset and liabilities of Stark Corporation Public Company Limited before acquisition date was Baht 309.86 million. According to management's consideration, the objective of the reverse takeover transaction is to acquire listing status. Therefore, the differences between fair value of consideration transferred and net assets of Stark Corporation Public Company Limited of Baht 162.45 million were considered as listing license fee and recorded as expenses on that date.

2.2.4 Business combination under common control

On December 25, 2019, the Company purchase and receive entire business transfer from Pinwheel 2 Company Limited ("Pinwheel 2") including all assets, liabilities, rights, duties and responsibilities of Pinwheel 2 which currently exist and will be obligated in the future at transfer date, including ordinary shares of 109,998 shares at par value of Baht 1,000 each of Adisorn Songkhla Company Limited ("Adisorn"), representing 99.99% of authorized and paid-up share capital of Adisorn. The Company paid Baht 1,550 million as consideration paid by cash for entire business transfer on that date. Such business combination is business combination under common control.

Carrying amount of net assets of Adisorn Group as at the business purchase date after non-controlling interest was Baht 909.72 million. The Company recognized Adisorn Group's assets and liabilities in the carrying amount and recognized difference between consideration paid and carrying amount of Adisorn Group's net assets after non-controlling interest of Baht 640.28 million as discount from business combination under common control and presented it in shareholder's equity.

- 2.3 The statement of financial position as at December 31, 2019, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.4 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the consolidated and separate interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

In the current year, the Company has initially applied Group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”). The Company has elected to recognize the cumulative effect of initially adopting of such TFRSs as an adjustment to the opening balance of retained earnings of the reporting period.

Impact of first-time adoption of new financial reporting standards to the consolidated statement of financial position (separate financial statements : Nil) as follows:

	Notes	As at December 31, 2019	TFRS 9	TFRS 16	Unit : Baht As at January 1, 2020
Consolidated statement of financial position					
Current asset					
Trade and other current receivables - net	2.6.1	3,464,593,042	(100,994,424)	-	3,363,598,618
Non-current asset					
Property, plant and equipment - net	2.6.2	2,603,577,079	-	(30,932,097)	2,572,644,982
Right-of-use assets - net	2.6.2	-	-	157,861,217	157,861,217
Total assets		6,068,170,121	(100,994,424)	126,929,120	6,094,104,817
Current liabilities					
Current portion of lease liabilities - net	2.6.2	-	-	51,511,723	51,511,723
Current portion of liabilities under finance lease agreements - net	2.6.2	17,771,652	-	(17,771,652)	-
Derivative liabilities	2.6.1	-	44,615,370	-	44,615,370
Payable - foreign exchange forward contract	2.6.1	53,265,785	(53,265,785)	-	-

		As at December 31, 2019	TFRS 9	TFRS 16	Unit : Baht As at January 1, 2020
Notes					
Consolidated statement of financial position					
Non-current liabilities					
Lease liabilities - net	2.6.2	-	-	132,324,008	132,324,008
liabilities under finance lease agreements - net	2.6.2	39,134,959	-	(39,134,959)	-
Deferred tax liabilities		237,122,464	(18,468,802)	-	218,653,662
Total liabilities		347,294,860	(27,119,217)	126,929,120	447,104,763
Retained earnings - unappropriated		964,681,233	(73,875,207)	-	890,806,026
Total shareholders' equity		964,681,233	(73,875,207)	-	890,806,026

The Group adjusts impact of first time adoption of new Thai Financial Reporting Standards in the interim financial information during year 2020. Total adjustment amount affecting to unappropriated retained earnings as at January 1, 2020 is Baht 73.88 million.

2.6.1 Group of Financial Instruments Standards

In the current year, the Group has initially applied Group of Financial Instruments Standards. The Company has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

- (a) Classification and measurement of financial assets and financial liabilities

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

Because the Group has elected to recognize the cumulative effect of as an adjustment of retained earnings as at the date of initial application (January 1, 2020), the Company derecognizes payable - foreign exchange forward contract for other purposes of Baht 53.27 million and recognizes derivative liabilities of Baht 44.62 million and recognizes difference of Baht 8.65 million as of January 1, 2020 in retained earnings directly, netting with effect of related deferred tax of Baht 1.73 million. As a result, retained earnings increase of Baht 6.92 million.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Group to recognize a loss allowance for expected credit losses on Trade receivables and contract assets.

In particular, TFRS 9 requires the Group and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Group has elected to recognize the cumulative effect of as an adjustment of retained earnings as at the date of initial application (January 1, 2020), additional expected credit loss have been recognized of Baht 100.99 million directly to retained earnings as at January 1, 2020, netting with effect of related deferred tax of Baht 20.20 million. As a result, retained earnings decrease of Baht 73.88 million.

(c) Disclosure in relation to the initial application of TFRS 9 (separate financial statements : Nil)

	TAS 105 Carrying amounts December 31, 2019	Reclassifications	Remeasurements	TFRS 9 Carrying amounts January 1, 2020	Unit : Baht Category
Consolidated financial statements					
Financial assets					
Cash and cash equivalents	1,431,141,561	-	-	1,431,141,561	Amortized cost
Trade and other current receivables	3,464,593,042	-	(100,994,424)	3,363,598,618	Amortized cost
Derivative assets	8	-	-	8	Fair value through profit or loss
Cash at bank pledged as collateral	39,074,069	-	-	39,074,069	Amortized cost
Long-term loans to a major shareholder	63,369,191	-	-	63,369,191	Amortized cost
Financial liabilities					
Short-term borrowings from financial institutions	1,706,300,588	-	-	1,706,300,588	Amortized cost
Trade and other current payables	4,787,535,748	-	-	4,787,535,748	Amortized cost
Current portion of long-term borrowings from financial institutions	481,271,376	-	-	481,271,376	Amortized cost
Current portion of lease liabilities	17,771,652	-	-	17,771,652	Amortized cost
Other short-term borrowings	822,000,00	-	-	822,000,00	Amortized cost
Current portion of other long-term borrowings	185,000,000	-	-	185,000,000	Amortized cost
Derivative liabilities	53,265,785	(8,650,407)	-	44,615,378	Fair value through profit or loss
Long-term borrowings from financial institutions	1,588,464,702	-	-	1,588,464,702	Amortized cost
Lease liabilities	39,134,959	-	-	39,134,959	Amortized cost
Other long-term borrowings	160,000,000	-	-	160,000,000	Amortized cost

The application of TFRS 9 has had no impact on the cash flows of the Group.

2.6.2 Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

The Group has made use of the practical expedient available on transition to TFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with TAS 17 and TFRIC 4 will continue to be applied to those leases entered or changed before January 1, 2020.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

c) Impact on Lessor Accounting

TFRS 16 does not change substantially how a lessor accounts for leases. Under TFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, TFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under TFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under TAS 17).

Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. As required by TFRS 9, an allowance for expected credit losses has been recognized on the finance lease receivables.

Financial impact of the initial application of TFRS 16

The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 4.54% and 4.68%.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the consolidated statement of financial position (separate financial statements : Nil) at the date of initial application.

	Unit: Baht
Consolidated financial statements	
Operating lease commitments at December 31, 2019	73,962,883
<u>Less</u> Short-term leases recognized as expenses on the straight method	(25,089,759)
<u>Less</u> Leases of low-value assets recognized as expenses on the straight method	(5,035,835)
<u>Add</u> Purchase or extension options reasonably certain to be exercised	110,221,689
<u>Less</u> Deferred interest expenses	(27,129,858)
Additional lease liabilities from TFRS 16 adoption	126,929,120
Finance lease liabilities as at December 31, 2019	56,906,611
Lease liabilities recognised as at January 1, 2020	183,835,731
Comprising:	
Current lease liabilities	51,511,723
Non-current lease liabilities	132,324,008
	<u>183,835,731</u>

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the interim financial statements for the three-month and nine-month periods ended September 30, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

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

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

- 2.7 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 “Interim Financial Reporting” requires management to make judgments, in application of accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period, including the reported amounts of revenue and expense during the period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.
- 2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the accounting policies as follows:

3.1 Leases

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

a) Policies applicable from January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

b) Policies applicable prior to January 1, 2020

Lease

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income based on the straight-line method over the lease term.

Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Group is accounted for as a finance lease. The Company capitalizes the leased assets and records liabilities at the lower of estimated present value of the underlying lease payments or the fair value of the equipment at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by the effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensible income.

3.2 Financial instruments

Classification and measurement of financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

All financial liabilities are measured subsequently at amortized cost using the effective interest method or fair value, depending on the classification of the financial liabilities.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

4. ADJUSTMENT OF BUSINESS COMBINATION UNDER COMMON CONTROL

The consolidated statement of profit or loss and other comprehensive income during the three-month and nine-month periods ended September 30, 2019 has been adjusted by including operation performance of Adisorn Group as if it had been a subsidiary since day one to comply with business combination under common control accounting policy.

The Company has already retrospectively adjusted these transactions into the comparative information. Effect of these transactions can be summarized as follows:

	Previous presentation	Adjustment of business combination under common control	Unit: Baht Current presentation
<u>Consolidated statement of</u>			
<u>profit or loss and other comprehensive incomes</u>			
For the three-month period ended September 30, 2019			
Profit (loss) for the period from continued operations			
Revenue from rendering services	(3,074,800)	(328,856,948)	(331,931,748)
Rental income	-	(11,799,677)	(11,799,677)
Finance income	(1,623,946)	(16,388,527)	(18,012,473)
Gain on foreign exchange rate - net	(41,604,455)	(3,454)	(41,607,909)
Other income	(1,305,195)	(781,513)	(2,086,708)
Cost of rendering services	1,405,965	280,749,774	282,155,739
Costs of rental	-	12,995,244	12,995,244
Distribution costs	66,331,304	4,169	66,335,473
Administrative expenses	79,160,535	12,635,071	91,795,606
Finance cost	113,642,643	11,690,215	125,332,858
Income tax	32,225,414	1,271,636	33,497,050
Net profit (loss) for the period	(80,094,160)	38,484,010	(41,610,150)
Basic earning (loss) per share (Baht per share)	(0.0032)		(0.0032)
For the nine-month period ended September 30, 2019			
Profit (loss) for the period from continued operations			
Revenue from rendering services	(7,327,800)	(966,283,382)	(973,611,182)
Rental income	-	(35,530,556)	(35,530,556)
Finance income	(4,210,481)	(47,985,139)	(52,195,620)
Gain on foreign exchange rate - net	(106,602,334)	(2,157,512)	(108,759,846)
Other income	(4,454,667)	(1,531,661)	(5,986,328)
Cost of rendering services	3,841,985	825,235,680	829,077,665
Costs of rental	-	36,075,984	36,075,984
Distribution costs	185,000,094	13,874	185,013,968
Administrative expenses	205,963,214	37,184,042	243,147,256
Finance cost	338,449,450	42,155,479	380,604,929
Income tax	92,584,435	22,110,405	114,694,840
Net profit for the period	53,948,520	90,712,786	144,661,306
Basic earning per share (Baht per share)	0.0030		0.0030

The consolidated statements of cash flows for the nine-month period ended September 30, 2019 has been already adjusted to conform to the transactions.

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2020	2019	2020	2019
Cash on hands	641,831	102,253	-	-
Cash at banks - current accounts	212,793,394	3,490,464	323,111	323,941
Cash at banks - savings accounts	236,388,085	1,427,548,844	24,363,427	25,571,918
	<u>449,823,310</u>	<u>1,431,141,561</u>	<u>24,686,538</u>	<u>25,895,859</u>

5.2 Non-cash transactions for the nine-month period ended September 30, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Other current payables for assets acquisition brought forward (a part of trade and other current payables in the statements of financial position)	3,167,203	15,807,856	-	-
<u>Add</u> Purchases of fixed assets	283,885,512	300,290,548	-	35,408
Purchases of intangible assets	184,597	396,400	-	-
Purchases of copyrights	-	-	-	3,621,314
<u>Less</u> Advance payment transferred to fixed assets	(88,211,242)	(15,304,517)	-	-
Cash payments for purchases of fixed assets	(171,360,167)	(297,474,753)	-	(35,408)
Cash payments for purchases of intangible assets	(184,597)	(396,400)	-	-
Cash payments for purchases of copyrights	-	-	-	(3,621,314)
Other current payables for assets acquisition carried forward (a part of trade and other current payables in the statements of financial position)	<u>27,481,306</u>	<u>3,319,134</u>	<u>-</u>	<u>-</u>
Lease liabilities brought forward (including current portion)	56,906,611	73,905,405	-	-
<u>Less</u> Cash payment from purchases of fixed assets under lease liabilities	(44,462,004)	(12,678,011)	-	-
Recognised on adoption of TFRS 16 (see Note 2.6.2)	126,929,120	-	-	-
Acquired from purchase of business	64,476,838	-	-	-
Effect of exchange rate changes on balances held in foreign currencies	(793,131)	-	-	-
Liabilities under lease liabilities carried forward (including current portion)	<u>203,057,434</u>	<u>61,227,394</u>	<u>-</u>	<u>-</u>

5.3 Changes in the liabilities arising from financing activities for the nine-month period ended September 30, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS								Unit : Baht
	Balance as at January 1, 2020	Acquired from Business Acquisition in 2020	Effect of Exchange rate On balance Held in Foreign currencies	Financing cash flow Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Recognised on adoption of TFRS 16	Balance as at September 30, 2020
Bank overdraft and short-term borrowings from a financial institution	1,706,300,588	2,937,669,708	(23,643,378)	6,623,217,467	(3,265,359,772)	-	(54,890,512) ⁽¹⁾	-	7,923,294,101
Current portion of long-term borrowings from financial institution	481,271,376	194,807,640	(510,069)	-	-	379,131,328	(114,516,732) ⁽¹⁾⁽²⁾	-	940,183,543
Current portion of lease liabilities	17,771,652	15,540,235	(191,161)	-	-	32,956,489	-	-	66,077,215
Short-term borrowings from related companies	-	-	-	151,000,000	(103,000,000)	-	-	-	48,000,000
Short-term borrowings from related persons	-	504,205,160	-	-	(504,205,160)	-	-	-	-
Other short-term borrowings	822,000,000	-	-	124,000,000	(385,190,004)	-	-	-	560,809,996
Current portion of other long-term borrowings	185,00,000	-	-	-	-	(135,000,000)	-	-	50,000,000
Long-term borrowings from financial institutions	1,588,464,702	512,837,433	(162,699)	1,665,592,000	(503,504,523)	(379,131,328)	57,258,366 ⁽¹⁾⁽²⁾	-	2,941,353,951
Long-term borrowings from a related company	5,695,649	-	-	-	-	-	-	-	5,695,649
Lease liabilities	39,134,959	48,936,603	(601,970)	-	(44,462,004)	(32,956,489)	-	126,929,120	136,980,219
Other long-term borrowings	160,000,000	-	-	165,000,000	(135,000,000)	135,000,000	-	-	325,000,000

(1) Changes were arisen from deferred financing fees.

(2) Changes were arisen from exchange rate.

	CONSOLIDATED FINANCIAL STATEMENTS						Unit : Baht
	Balance as at January 1, 2019	Financing cash flow Received	Financing cash flows Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at September 30, 2019
Short-term borrowings from a financial institution	471,299,572	167,770,360	874,530,000	(62,900,407)	(16,828,848)	571,253 ⁽¹⁾	1,434,441,930
Current portion of long-term borrowing from a financial institution	2,616,863,503	39,700,000	-	-	(1,911,238,546)	-	745,324,957
Current portion of lease liabilities	16,998,794	-	-	-	576,331	-	17,575,125
Short-term borrowings from related companies	299,334,247	-	40,000,000	(339,334,247)	-	-	-
Short-term borrowings from a related person	145,000,000	-	-	(145,000,000)	-	-	-
Other short-term borrowings	675,000,000	22,400,000	55,000,000	(22,400,000)	-	-	730,000,000
Current portion of other long-term borrowings	30,000,000	-	-	-	135,000,000	-	165,000,000
Long-term borrowings from financial institutions	475,331,970	223,400,000	68,000,000	(677,714,000)	1,928,067,394	3,828,313 ⁽¹⁾	2,020,913,677
Long-term borrowings from a related company	5,695,649	-	-	-	-	-	5,695,649
Lease liabilities	56,906,611	-	-	(12,678,011)	(576,331)	-	43,652,269
Other long-term borrowings	185,000,000	-	-	-	(135,000,000)	-	50,000,000

(1) Changes were arisen from deferred financing fees.

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2020	Financing cash flow Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at September 30, 2020
Current portion of long-term borrowings from financial institutions	15,000,000	-	-	-	-	15,000,000
Short-term borrowings from related companies	246,807,041	41,000,000	(65,000,000)	-	-	222,807,041
Other short-term borrowings	130,000,000	94,000,000	-	-	-	224,000,000
Long-term borrowings from financial institutions	23,978,847	-	(11,250,000)	-	-	12,728,847
Long-term borrowings from related companies	1,000,000,000	-	-	-	-	1,000,000,000

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Financing cash flow Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at September 30, 2019
Bank overdraft and short-term borrowings from a financial institution	148,371,476	-	(42,446,358)	(16,828,847)	903,729 ⁽¹⁾	90,000,000
Current portion of long-term borrowings from financial institutions	27,100,000	-	-	(12,100,000)	-	15,000,000
Short-term borrowings from related companies	-	3,000,000	-	-	1,364,770,267 ⁽²⁾	1,367,770,267
Other short-term borrowings	26,000,000	-	(17,900,000)	-	(8,100,000) ⁽³⁾	-
Long-term borrowings from financial institutions	241,400,000	-	(242,600,000)	28,928,847	-	27,728,847
Other long-term borrowings	7,000,000	-	(7,000,000)	-	-	-

(1) Changes were arisen from deferred financing fees.

(2) Acquired from the entire business transfer

(3) Transferred to SMM Plus Company Limited, which had been a subsidiary, according to the business restricting plan.

5.4 Changes in the assets arising from investing activities for the nine-month period ended September 30, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2020	Acquired from acquisition in 2020	Investing cash flows (Received)	Investing cash flows Repaid	Balance as at September 30, 2020
Short-term loans to related companies	30,000,000	86,830,725	-	74,004,200	190,834,925
Long-term loans to related companies	63,369,191	-	(51,290,000)	31,290,000	43,369,191

CONSOLIDATED FINANCIAL STATEMENTS					Unit : Baht
	Balance as at January 1, 2019	Investing cash flows (Received)	Investing cash flows Repaid	Non-cash changes	Balance as at September 30, 2019
Short-term loans to a related company	-	(27,000,000)	27,000,000	-	-
Long-term loans to related companies	1,133,420,000	(127,820,000)	44,269,191	-	1,049,869,191

SEPARATE FINANCIAL STATEMENTS					Unit : Baht
	Balance as at January 1, 2019	Investing cash flows (Received)	Investing cash flows Repaid	Non-cash changes	Balance as at September 30, 2019
Long-term loans other companies	-	-	9,000,000	(9,000,000) ⁽¹⁾	-

(1) Transferred to SMM Plus Company Limited, which had been a subsidiary, according to the business restricting plan

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Unit : Baht
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	
Trade receivables - related companies	15,530,362	13,992,066	-	-	
Trade receivables - other companies	4,825,652,903	3,134,074,937	-	-	
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(496,584,006)	(378,863,277)	-	-	
	4,344,599,259	2,769,203,726	-	-	
Other current receivables - related companies	7,155,193	11,069,662	-	-	
Other current receivables - the Revenue Department	185,235,375	74,917,436	4,537,216	4,536,671	
Other current receivables - other companies	45,904,366	20,266,374	10,000	-	
Interest receivables - related companies	265,484,231	250,047,633	-	-	
Interest receivables - other companies	1,906,690	441,278	-	-	
Prepaid expenses	132,062,059	63,983,056	21,995,092	6,875,985	
Advance payments for purchase of inventories - other companies	13,616,675	-	-	-	
Advance payments	10,285,869	8,826,432	-	-	
Accrued income	503,790,023	265,837,445	-	-	
Other	75,218,685	-	-	-	
	5,585,258,425	3,464,593,042	26,542,308	11,412,656	

As at September 30, 2020, 2 subsidiaries pledged trade receivable in amount of Baht 55 million as collateral for short-term borrowing from a financial institution (see Note 17).

As at December 31, 2019, a subsidiary pledged trade receivable in amount of Baht 41.02 million as collateral for short-term borrowing from a financial institution (see Note 17).

Trade receivables classified by aging were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Trade receivables				
Current	3,298,910,943	2,289,258,169	-	-
Overdue				
Less than or equal to 3 months	1,108,676,120	376,471,150	-	-
Over 3 months up to 6 months	22,729,732	102,137,028	-	-
Over 6 months up to 12 months	22,759,159	7,110,504	-	-
Over 12 months	388,107,311	373,090,152	-	-
Total	4,841,183,265	3,148,067,003	-	-
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(496,584,006)	(378,863,277)	-	-
Trade receivables	<u>4,344,599,259</u>	<u>2,769,203,726</u>	<u>-</u>	<u>-</u>

Allowance for expected credit losses can be reconciled as follows:

	Unit : Baht
	As at September 30, 2020
As at 1 January	378,863,277
Impact from first-time adoption of TFRS 9 (see Note 2.6.1)	100,994,424
Acquired from business acquisition	4,495,147
Increase during the period recognised in profit or loss	12,231,158
As at 30 September	<u>496,584,006</u>

7. DEFERRED COST OF SERVICES

Deferred cost of services consists of the following (separate financial statement : Nil):

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019
Cost of supplies for service	818,747	433,123
Cost of employee expense	6,277,835	6,792,475
	<u>7,096,582</u>	<u>7,225,598</u>

8. SHORT-TERM LOANS TO RELATED COMPANIES

Short-term loans to related companies as at September 30, 2020 and December 31, 2019 with due for repayment at call, consist of the following (separate financial statement : Nil):

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at September 30,2020			As at December 31, 2019		
	Interest rate	Collateral	Amount	Interest rate	Collateral	Amount
	% per annum		Baht	% per annum		Baht
Promissory note	1.37 - 6.50	None	190,834,925	1.37	None	30,000,000
			190,834,925			30,000,000

9. INVENTORIES

Inventories consist of the following (separate financial statement : Nil)

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019
Raw materials	1,025,336,050	1,152,873,301
Work in process	1,823,652,651	842,197,419
Finished goods	3,231,005,392	1,496,456,224
Spare parts and factory supplies	115,314,744	92,968,938
Finished goods in transit	14,951,736	18,132,470
Materials and spare parts in transit	1,559,419,111	92,612,892
	<u>7,769,679,684</u>	<u>3,695,241,244</u>
<u>Less</u> Allowance for losses on slow-moving inventories	<u>(23,559,159)</u>	<u>(23,824,374)</u>
	<u>7,746,120,525</u>	<u>3,671,416,870</u>

Costs of inventories recorded as expenses and included in costs of sales for the three-month and nine-month periods ended September 30, consists as follows: (separate financial statement : Nil)

	Unit: Baht CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
For the three-month periods ended September 30,		
Cost of sales and rendering services	3,367,982,589	2,111,411,632
Loss on slow-moving inventories (reversal)	(140,005)	624,579
Total	<u>3,367,842,584</u>	<u>2,112,036,211</u>
	Unit: Baht CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
For the nine-month periods ended September 30,		
Cost of sales and rendering services	8,783,949,090	6,619,460,426
Loss on slow-moving inventories (reversal)	(265,215)	493,274
Total	<u>8,783,683,875</u>	<u>6,619,953,700</u>

As at September 30, 2020, a subsidiary pledged inventories in amount of Baht 158.99 million as collateral for short-term borrowing from a financial institution (see Note 17).

10. OTHER CURRENT ASSETS

Other current assets consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Refundable value-added tax	33,109,636	5,568,540	3,012,850	1,378,954
Undue value-added tax	12,769,229	93,821,672	179,443	137,751
Prepaid withholding tax	50,021	-	-	-
Others	8,996,058	1,378,584	-	-
	<u>54,924,944</u>	<u>100,768,796</u>	<u>3,192,293</u>	<u>1,516,705</u>

Unit : Baht

11. INVESTMENT IN AN ASSOCIATE

Investment in an associate and dividend income consist of the following:

Unit : Million Baht

Company's name	Nature of business	Country of incorporation	CONSOLIDATED FINANCIAL STATEMENTS								Dividend received for the three-month and nine-month periods ended	
			% of Ownership interest		Paid-up capital		Investment in cost method		Investment in equity method			
			As at	As at	As at	As at	As at	As at	As at	As at		
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	September 30, 2019
Thai Copper Rod Company Limited	Tolling of copper rod	Thailand	22.31	22.31	100.00	100.00	22.31	22.31	64.31	64.70	2.50	3.75
							<u>22.31</u>	<u>22.31</u>	<u>64.31</u>	<u>64.70</u>	<u>2.50</u>	<u>3.75</u>

Movements in investment in an associate for the nine-month period ended September 30, are as follows:

Unit: Baht

As at January 1,
Share of profit from investment in an associate
Dividend received from an associate
As at September 30,

Consolidated financial statements	
2020	2019
64,695,636	65,200,396
2,112,741	2,568,340
(2,500,000)	(3,750,000)
<u>64,308,377</u>	<u>64,018,736</u>

12. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries and dividend income from subsidiaries consists of the following:

Company's name	Nature of business	Country of incorporation	SEPARATE FINANCIAL STATEMENTS											
			% of Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received for three-month and nine month periods ended	
			As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	September 30,	September 30,
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	September 30, 2019
					Million Baht	Million Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Direct subsidiaries														
Phelps Dodge International (Thailand) Limited ⁽¹⁾	Manufacturer of cable wire and providing the Service testing	Thailand	99.28	99.28	400	400	11,642,910,640	11,642,911,640	-	-	11,642,910,640	11,642,911,640	-	-
PDTL Trading Co., Ltd. ⁽¹⁾	Sales of accessories for energy	Thailand	49.00	49.00	1	1	30,463,623	30,463,623	-	-	30,463,623	30,463,623	-	-
Adisorn Songkhla Co., Ltd.	Rendering manpower service, rental properties, transportation service and providing consultancy services on petroleum business	Thailand	99.99	99.99	110	110	1,550,000,000	1,550,000,000	-	-	1,550,000,000	1,550,000,000	-	-
Indirect subsidiaries														
NMN Holding 2 Co., Ltd. ⁽⁴⁾	Holding company	Thailand	0.0020	-	501	-	410,000	-	-	-	410,000	-	-	-
Thai Cable International Co., Ltd. ⁽⁴⁾	Manufacturer of small cable wire	Thailand	0.0001	-	107	-	100	-	-	-	100	-	-	-
							13,223,784,363	13,223,375,263	-	-	13,223,784,363	13,223,375,263	-	-

Indirect subsidiaries (as at December 31, 2019 : Nil)

Company's name	Nature of business	Country of incorporation	Authorized share capital and paid-up	% of Investment As at September 30, 2020 Percentage	At cost As at September 30, 2020 Million Baht
PD Cable (SG) PTE. LTD. ⁽²⁾	Holding company	Singapore	USD10,000	100.00	0.32
Thinh Phat Cables Joint Stock Company ⁽³⁾	Manufacturing wire product and non-metal industry	Vietnam	VND 560,000 million	99.99	1,167.34
Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ⁽³⁾	Import and manufacture copper and aluminium	Vietnam	VND 250,000 million	99.99	5,317.89
NMN Holding 2 Co., Ltd. ⁽⁴⁾	Holding company	Thailand	Baht 501 million	99.99	540.18
Thai Cable International Co., Ltd. ⁽⁴⁾	Manufacturer of small cable wire	Thailand	Baht 107 million	99.99	1,000.00
					<u>8,025.73</u>

- (1) The Company has acquired share of two subsidiaries from receiving of the entire business transfer of Team A Holding 2 Co., Ltd. as a share subscription payment instead of cash payment. The Company initially measured the investment in subsidiaries by using fair value at the transfer date as cost of the investments.
- (2) On February 18, 2020, Phelps Dodge International (Thailand) Limited invests in ordinary share of PD Cable (SG) PTE. LTD. The Group has control over such company since that date.
- (3) On March 23, 2020, the Extraordinary General meeting No. 1/2020 of the Company has passed a resolution to purchase shares of Thinh Phat Cables Joint Stock and Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company which were registered in Vietnam. Its principle businesses are manufacturing wire products and non-metal industrial.

Later on March 31, 2020, PD CABLE (SG) PTE. LTD had invested in share capital of these two subsidiaries and PD CABLE (SG) PTE. LTD has power to control Thinh Phat Cables Joint Stock Company and Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company since March 31, 2020. Therefore, these two companies are indirect subsidiary of the Company since March 31, 2020.

- (4) On March 27, 2020, the Board of Directors Meeting No. 4/2020 of the Company approved the Company and subsidiaries investing in Thai Cable International Co., Ltd. ("TCI"), which conducts business as electric wires and small cables manufacturer, through the ordinary share purchase of N M N Holding 2 Co., Ltd. ("NMN2"), which was holding company, of 100 shares amounting Baht 41 million. On April 1, 2020, NMN2 increased its share capital by Baht 500 million by issuing increased share capital of 50,000 share at par value of Baht 10,000 each. The subsidiary makes subscription payment in full amount and NMN2 registered its increase in share capital with the Ministry of Commerce on the same day.

Later on April 1, 2020, the Company and subsidiary invest in NMN2. The Company has control over NMN2 and TCI since April 1, 2020. Therefore, NMN2 and TCI are subsidiary and indirect subsidiary of the Company since April 1, 2020.

On June 30, 2020, the Extraordinary General Meeting of Thai Cable International Co., Ltd. passed a resolution to increase the authorized capital by Baht 1,000,000 from Baht 106,000,000 to Baht 107,000,000 by issuing 10,000 new ordinary shares at par value of Baht 100 each with offering price not exceeding Baht 110,000 per share. Later on September 22, 2020, Thai Cable International Co., Ltd. registered the increase of its authorized capital to the Department of Business Development. The major shareholder of the Company has purchased such increased share capital and transferred such share to NMN2.

13. LONG-TERM LOANS TO RELATED COMPANIES

Long-term loans to related companies as at September 30, 2020 and December 31, 2019 consist of the following (separate financial statement : Nil):

CONSOLIDATED FINANCIAL STATEMENTS						Unit : Baht
As at September 30, 2020			As at December 31, 2019			
Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht	
Promissory note	5.50	None	5.50	None		
		<u>43,369,191</u>			<u>63,369,191</u>	
		<u>43,369,191</u>			<u>63,369,191</u>	

14. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 30, 2020, and 2019 were summarized as following (separate financial statement : Nil)

CONSOLIDATED FINANCIAL STATEMENTS			Unit : Baht
	2020	2019	
Net carrying value beginning balance	2,603,577,079	2,384,625,713	
Impact of adoption of Thai Financial Reporting Standard No. 16	(30,932,097)	-	
Purchases/transfer in - at cost	283,885,512	300,290,548	
Disposal/written off /transfer out	(1,529,518)	(8,227,565)	
Acquired from purchase of business	1,606,873,615	-	
Depreciation	(220,160,428)	(133,288,650)	
Exchange differences on translation	(15,744,720)	-	
Net carrying value ending balance	<u>4,225,969,443</u>	<u>2,543,400,046</u>	

As at September 30, 2020 and December 31, 2019, the land, plant and equipment of a subsidiary with net carrying value of Baht 568.96 million and Baht 601.82 million, respectively, were pledged as collateral for short-term and long-term borrowings from financial institutions (see Notes 17 and 21) and letters of credit, trust receipt and telegraphic transfer facility (see Note 32.3).

As at September 30, 2020 and December 31, 2019, property, plant and equipment on the consolidated financial statements included the excess of acquisition costs amounting to Baht 999.70 million and Baht 1,033.42 million, respectively, representing the differences between the fair values and the historical costs of the property, plant and equipment of the subsidiaries at the acquisition date. Taxes that might become payable on the realization of revaluation surpluses through disposals of these assets were included as deferred tax liabilities in the consolidated financial statements.

As at December 31, 2019, the Group had a machinery and factory equipment acquired under a finance lease agreement with the total cost amounting of Baht 93.93 million. The net book value amounts are Baht 43.51 million, presented as a part of property, plant and equipment on the consolidated financial statements. Moreover, the Group reclassified such machinery and factory equipment as at January 1, 2020 to be right-of-use assets from the adoption of TFRS 16 since January 1, 2020.

As at September 30, 2020 and December 31, 2019, the Group had the fully depreciated building and equipment, but still in use, at the original costs amounting to Baht 3,532 million and Baht 3,345 million, respectively.

15. RIGHT-OF-USE ASSETS, NET AND LEASE LIABILITIES, NET

The statement of financial position included following transactions relating to leases. (separate financial statement : Nil)

	Unit : Baht
	CONSOLIDATED
	FINANCIAL STATEMENTS
	September 30, 2020
Right-of-use assets, net	
Land and land improvements	162,204,987
Building and building improvements	123,189,188
Machinery and equipment	28,032,213
Vehicles	1,661,975
Total right-of-use assets	<u>315,088,363</u>
Lease liabilities	
Current	66,077,215
Non-current	136,980,219
Total lease liabilities	<u>203,057,434</u>

The statement of income included following transactions related to leases. (separate financial statement : Nil)

	Unit : Baht
	Consolidated
	financial statements
For the three-month period ended September 30, 2020	
Depreciation charge of right-of-use assets	
Land and land improvements	1,195,192
Building and building improvements	5,942,650
Machinery and equipment	966,628
Vehicles	767,903
Total right-of-use assets	<u>8,872,373</u>
Finance cost relating to leases	<u>1,402,333</u>

	Unit : Baht
	Consolidated
	financial statements
For the nine-month period ended September 30, 2020	
Depreciation charge of right-of-use assets	
Land and land improvements	2,322,699
Building and building improvements	23,304,163
Machinery and equipment	2,899,884
Vehicles	2,303,708
Total right-of-use assets	<u>30,830,454</u>
Finance cost relating to leases	<u>3,818,889</u>

The Group has adopted TFRS 16 from January 1, 2020 by adjusting cumulative impact from adoption of Thai Financial Reporting Standards to beginning balance of retained earnings and not adjusting comparative information. Impact from adoption of Thai Financial Reporting Standards regarding lease liabilities as at January 1, 2020 has been described in Note 2.6.2.

As at September 30, 2020, 2 subsidiaries pledged right-of-use asset on land in amount of Baht 162.20 million as collateral for short-term borrowing from a financial institution (see Note 17).

The total cash outflow for leases of the Group during the nine-month period ended September 30, 2020 was Baht 44.46 million.

Finance leases - 2019

As at December 31, 2019, the Group leased machinery and factory equipment with a carrying amount of Baht 43.51 million under finance leases expiring within 3 years. Finance lease liabilities were included in finance lease liabilities until December 31, 2019 but were reclassified to lease liabilities on January 1, 2020 in the process of adopting the new leasing standard.

	Unit : Baht Consolidated financial statements
As at December 31, 2019	
Not later than one year	19,933,632
Later than 1 year but not later than 5 years	40,941,216
	<hr/> 60,874,848
<u>Less</u> Future finance charges on finance leases	<hr/> (3,968,237)
The present value of finance lease liabilities	<hr/> <hr/> 56,906,611

The present value of finance lease liabilities is as follows:

	Unit : Baht Consolidated financial statements
As at December 31, 2019	
Not later than one year	17,771,652
Later than 1 year but not later than 5 years	39,134,959
	<hr/> 56,906,611

16. COPYRIGHTS

Copyrights consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Copyrights at beginning period/year	-	-	-	9,114,505
Acquired from purchase of business	1,049,477	-	-	-
Exchange differences on translation	(12,910)	-	-	-
<u>Add</u> Increase during the period/year	-	-	-	3,621,314
<u>Less</u> Recognize as expenses during the period/year	(182,797)	-	-	(12,254,987)
Transfer out to work in process	-	-	-	(480,832)
Copyrights at ending period/year	<u>853,770</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. BANK OVERDRAFT AND SHORT-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

Bank overdraft and short-term borrowings from a financial institution consist of the following:
(separate financial statement : Nil) :

	CONSOLIDATED FINANCIAL STATEMENTS				
	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020					
Promissory note	200,000,000	November 18, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	200,000,000	January 25, 2021	4.25	None	No
Promissory note	160,000,000	December 11, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	40,000,000	January 14, 2021	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	124,530,000	March 13, 2021	MLR-1.25	None	No
Promissory note	37,610,000	November 16, 2020	MLR-1.25	None	No
Promissory note	91,729,000	January 6, 2021	MLR-1.25	None	No
Promissory note	20,087,000	February 10, 2021	MLR-1.25	None	No
Promissory note	494,313,913	December 24, 2020	MLR-1.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14) 2. The Company and the 2 subsidiaries (see Notes 31.4) 3. Guaranteed by a director of the Company	Yes

CONSOLIDATED FINANCIAL STATEMENTS					
	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020 (continued)					
Promissory note	1,954,339,258	December 24, 2020	MLR-1.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14) 2. The Company and the 2 subsidiaries (see Notes 31.4) 3. Guaranteed by a director of the Company	Yes
Promissory note	22,916,393	December 24, 2020	MLR-1.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14) 2. The Company and the 2 subsidiaries (see Notes 31.4) 3. Guaranteed by a director of the Company	Yes
Bridge loan	1,628,892,098	March 31, 2021	BIBOR+3.85	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14) 2. The Company and the 2 subsidiaries (see Note 31.4) 3. Guaranteed by a director of the Company	Yes
Promissory note	17,760,000	October 22, 2020	MLR-1.25	None	No
Promissory note	988,627,826	March 31, 2021	MLR-1.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14) 2. The Company and the 2 subsidiaries (see Notes 31.4) 3. Guaranteed by a director of the Company	Yes
Promissory note	51,510,000	January 29, 2021	MLR-1.25	None	No
Promissory note	19,000,000	March 12, 2021	MLR-1.25	None	No
Promissory note	100,000,000	December 23, 2020	3.47	Subsidiary's land title deed	No
Promissory note	68,000,000	December 23, 2020	4.47	Subsidiary's land title deed	No
Promissory note	70,000,000	December 31, 2020	4.70	Subsidiary's land title deed	No
Promissory note	30,000,000	December 31, 2020	4.70	Subsidiary's land title deed	No
Promissory note	20,000,000	June 26, 2021	4.72	Subsidiary's land title deed	No
Short-term borrowing	49,500,000	December 15, 2020	MLR-1.75	A trade receivable of a subsidiary (see Note 6)	No
Promissory note	173,765,442	November 30, 2020	5.00	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	85,680,901	January 25, 2021	5.00	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No

CONSOLIDATED FINANCIAL STATEMENTS					
	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020 (continued)					
Promissory note	38,700,498	January 25, 2021	6.00	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	3,005,376	November 11, 2020	6.00	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	16,584,626	December 24, 2020	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	82,649,183	November 17, 2020	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	3,039,771	December 11, 2020	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	56,719,979*	October 26, 2020	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Promissory note	6,355,636*	October 27, 2020	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Notes 15)	No
Short-term borrowing	952,906,500	November 23, 2020	3.19	None	No
Promissory note	100,000,000	October 8, 2020	3.55	None	No
Bank overdraft	<u>15,070,701</u> <u>7,923,294,101</u>	-	-	None	No
As at December 31, 2019					
Promissory note	200,000,000	May 22, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	200,000,000	April 30, 2020	4.50	None	No
Promissory note	160,000,000	March 18, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	40,000,000	April 21, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	124,530,000	March 25, 2020	MLR-1.25	None	No
Promissory note	37,610,000	May 20, 2020	MLR-1.25	None	No
Promissory note	122,302,000	April 17, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes

CONSOLIDATED FINANCIAL STATEMENTS

	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2019 (continued)					
Promissory note	258,920,000	April 20, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	40,408,000	April 27, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	20,570,000	April 30, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	40,861,000	April 30, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	16,939,000	May 7, 2020	MLR-1.25	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
Promissory note	400,400,000	March 24, 2020	3.50 - 4.25	1. A subsidiary's title deed (see Note 14) 2. Guaranteed by a subsidiary's major shareholder	Yes
Bank Overdraft	6,841,915	-	-	None	No
Short-term borrowing	36,918,673 *	January 17, 2020	MOR - 2.75	Trade receivable of a subsidiary (see Note 6)	No
	<u>1,706,300,588</u>				

* The Company already makes repayments for such borrowings on the due date.

As at September 30, 2020 and December 31, 2019, a subsidiary cannot maintain some financial ratios as stipulated in the borrowing agreement, however, the Group considered that this event will not affect to the classification.

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Trade payables - related companies	43,954,721	78,131,995	-	-
Trade payables - other companies	7,836,138,852	4,322,700,656	-	572
Other current payables - related person and companies	41,899,672	10,284,277	-	-
Other current payables - the Revenue Department	35,103,876	5,309,362	-	-
Other current payables - other companies	72,700,296	56,018,206	7,280,439	243,908
Interest payables - related person and companies	1,472,868	-	50,287,236	7,118,308
Interest payables - other companies	49,007,225	62,795,373	-	-
Accrued expenses	145,154,591	181,113,704	3,307,361	16,637,497
Unearned revenue	87,732,035	68,835,501	-	216,088
Deposits	166,233,174	2,346,674	-	-
Others	18,251,599	-	-	-
	<u>8,497,648,209</u>	<u>4,787,535,748</u>	<u>60,875,036</u>	<u>24,216,373</u>

Unit : Baht

19. SHORT-TERM BORROWINGS FROM RELATED COMPANIES

Short-term borrowings from related companies consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate	Collateral	Amount	Interest rate	Collateral	Amount
	% per annum		Baht	% per annum		Baht
Promissory notes	4.72 - 5.25	None	48,000,000	-	-	-
			48,000,000			-

As at September 30, 2020, such short-term borrowing are due for repayment within 12 months from the statement of financial position date.

	SEPARATE FINANCIAL STATEMENTS					
	As at September 30, 2020			As at December 31, 2019		
	Interest rate	Collateral	Amount	Interest rate	Collateral	Amount
	% per annum		Baht	% per annum		Baht
Promissory notes	MLR - 1.00	None	201,807,041	MLR - 1.00	None	246,807,041
Promissory notes	4.50 - 5.25	None	21,000,000	-	-	-
			222,807,041			246,807,041

As at September 30, 2020 and December 31, 2019, such short-term borrowings from related companies in the separate financial statements are due for repayment at call. However, after the end of the reporting period, the lender has issued the letter to confirm not calling for repayment within 1 year in the amount of Baht 211.81 million.

20. OTHER SHORT-TERM BORROWINGS

Other short-term borrowings consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate	Collateral	Amount	Interest rate	Collateral	Amount
	% per annum		Baht	% per annum		Baht
Bills of exchanges	5.80 - 6.50	None	301,556,502	4.60 - 6.50	None	570,000,000
Unsubordinated bond	6.00 - 6.75	None	259,253,494	6.00 - 6.50	None	252,000,000
			<u>560,809,996</u>			<u>822,000,000</u>

As at September 30, 2020 and December 31, 2019, such short-term borrowings are due for repayment within 12 months from the statement of financial position date.

SEPARATE FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate	Collateral	Amount	Interest rate	Collateral	Amount
	% per annum		Baht	% per annum		Baht
Bills of exchanges	5.8	None	224,000,000	5.80	None	130,000,000
			<u>224,000,000</u>			<u>130,000,000</u>

As at September 30, 2020 and December 31, 2019, such short-term borrowings are due for repayment within 12 months from the statement of financial position date.

21. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020						
Long-term borrowings	280,000,000	152,769,766	Quarterly	MLR -1.25	None	No
<u>Less</u> Current portion		(55,301,100)				
		<u>97,468,666</u>				
Long-term borrowings	2,400,000,000	340,192,946	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		(169,599,085)				
		<u>170,593,861</u>				
Long-term borrowings	1,050,000,000	949,200,000	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		(50,400,000)				
		<u>898,800,000</u>				
Long-term borrowings	134,600,000	87,490,000	Quarterly	3.50	None	Yes
<u>Less</u> Current portion		(87,490,000) *				
		<u>-</u>				
Long-term borrowings	160,000,000	68,000,000	Quarterly	MLR -1.25	The mortgage of a subsidiary's land (see Note 14)	No
<u>Less</u> Current portion		(16,048,000)				
		<u>51,952,000</u>				
Long-term borrowings	1,428,105,000	1,230,558,689	Semi-annually	LIBOR+3.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
<u>Less</u> Current portion		(271,179,238)			2. The Company and the Company's two subsidiaries (see Note 31.4)	
		<u>959,379,451</u>			3. Guaranteed by a director of the Company	
Long-term borrowings	75,500,000	64,972,000	Quarterly	MLR-1.50	None	Yes
<u>Less</u> Current portion		(13,644,120)				
		<u>51,327,880</u>				
Long-term borrowings	45,230,000	27,728,847	Monthly	MLR -1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>12,728,847</u>				
Long-term borrowings	300,000,000	155,490,000	Monthly	MLR -1.00	1. A subsidiary's land title deed and building (see Note 14)	Yes
<u>Less</u> Current portion		(69,180,000)			2. Guaranteed by a subsidiary's major shareholder (see Note 12)	
		<u>86,310,000</u>				
Long-term borrowings	232,400,000	224,400,000	Monthly	MLR -1.00	1. A subsidiary's land title deed and building (see Note 14)	Yes
<u>Less</u> Current portion		(24,000,000)			2. Guaranteed by a subsidiary's major shareholder (see Note 12)	
		<u>200,400,000</u>				
Long-term borrowings	32,500,000	13,526,500	Quarterly	3.50	None	Yes
<u>Less</u> Current portion		(10,842,000)				
		<u>2,684,500</u>				

CONSOLIDATED FINANCIAL STATEMENTS

	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020 (continued)						
Long-term borrowings	600,000,000	462,208,746	Quarterly	5.63	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
<u>Less</u> Current portion		(75,000,000)				
		<u>387,208,746</u>				
Long-term borrowings	300,000,000	105,000,000	Quarterly	5.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
<u>Less</u> Current portion		(82,500,000)				
		<u>22,500,000</u>				
Total current portion		<u>940,183,543</u>				
Total non-current portion		<u>2,941,353,951</u>				

* As at September 30, 2020, the subsidiary cannot maintain some financial ratios as stipulated in loan agreement, therefore, the Group has classified those long-term borrowings in default to current-portion of long-term borrowings from financial institution.

The financial institution lender has issued the debt-covenant exemption letter for the credit facilities of Baht 1,428.11 million on September 29, 2020.

CONSOLIDATED FINANCIAL STATEMENTS

	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2019						
Long-term borrowings	280,000,000	194,068,260	Quarterly	MLR -1.25	None	No
<u>Less</u> Current portion		(55,096,285)				
		<u>138,971,975</u>				
Long-term borrowings	2,400,000,000	466,633,971	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		(168,735,091)				
		<u>297,898,880</u>				
Long-term borrowings	1,050,000,000	987,000,000	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		(50,400,000)				
		<u>936,600,000</u>				
Long-term borrowings	134,600,000	107,680,000	Quarterly	3.50	None	Yes
<u>Less</u> Current portion		(107,680,000)*				
		<u>-</u>				
Long-term borrowings	160,000,000	68,000,000	Quarterly	MLR -1.25	The mortgage of a subsidiary's land (see Note 14)	No
<u>Less</u> Current portion		(14,280,000)				
		<u>53,720,000</u>				
Long-term borrowings	45,230,000	38,978,847	Monthly	MLR -1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>23,978,847</u>				

CONSOLIDATED FINANCIAL STATEMENTS

	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2019 (continued)						
Long-term borrowings	300,000,000	207,375,000	Monthly	MLR -1.00	1. A subsidiary's land title deed and building thereon (see Note 14 and 15) 2. Guaranteed by a subsidiary's major shareholder	No
<u>Less</u> Current portion		(70,080,000)				
		<u>137,295,000</u>				
Total current portion		<u>481,271,376</u>				
Total non-current portion		<u>1,588,464,702</u>				

* As at December 31, 2019, the subsidiary cannot maintain some financial ratios as stipulated in loan agreement, therefore, the Group has classified those long-term borrowings in default to current-portion of long-term borrowings from financial institution.

On December 27, 2019, the financial institution has issued the debt-covenant exemption letter for the credit facilities of Baht 2,400 million and Baht 1,050 million.

SEPARATE FINANCIAL STATEMENTS

	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at September 30, 2020						
Long-term borrowings	45,230,000	27,728,847	Monthly	MLR – 1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>12,728,847</u>				
Total current portion		<u>15,000,000</u>				
Total non-current portion		<u>12,728,847</u>				

SEPARATE FINANCIAL STATEMENTS

	Credit facilities Baht	Long-term borrowing Baht	Repayment and interest payment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2019						
Long-term borrowings	45,230,000	38,978,847	Monthly	MLR – 1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>23,978,847</u>				
Total current portion		<u>15,000,000</u>				
Total non-current portion		<u>23,978,847</u>				

22. LONG-TERM BORROWINGS FROM RELATED COMPANIES

Long-term borrowings from related companies consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Borrowings	MLR	None	5,695,649	MLR	None	5,695,649
			<u>5,695,649</u>			<u>5,695,649</u>
SEPARATE FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Promissory note	5.50	None	1,000,000,000	5.50	None	1,000,000,000
			<u>1,000,000,000</u>			<u>1,000,000,000</u>

As at September 30, 2020 and December 31, 2019, such borrowings from related company in the separate financial statements are due for repayment at call. However, before the end of the reporting period, the lender has issued the letter to confirm not calling for repayment within 1 year in the amount of Baht 1,000 million.

23. OTHER LONG-TERM BORROWINGS

Other long-term borrowings consist of the following (separate financial statement : Nil):

CONSOLIDATED FINANCIAL STATEMENTS						
	As at September 30, 2020			As at December 31, 2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Unsubordinated bond	6.25 - 6.75	None	375,000,000	5.50 - 6.75	None	345,000,000
<u>Less</u> Current portion due within 1 year			<u>(50,000,000)</u>			<u>(185,000,000)</u>
			<u>325,000,000</u>			<u>160,000,000</u>

As at September 30, 2020 and December 31, 2019, such other long-term borrowings will be due for repayment in February 2022 and October 2021, respectively.

24. DEFERRED TAX AND INCOME TAX EXPENSE

Deferred tax consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Deferred tax assets	46,998,329	-	37,517,341	-
Deferred tax liabilities	223,496,428	237,122,464	-	-

Income tax expense - continued operation for the three-month and nine-month periods ended September 30, 2020 and 2019, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
For the three-month periods ended September 30,				
Current tax expense in respect of the current period	124,819,813	38,227,893	-	-
Deferred taxes relating to temporary differences	(34,408,414)	(4,730,843)	(37,517,341)	-
Income tax expense (income)	90,411,399	33,497,050	(37,517,341)	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
For the nine-month periods ended September 30,				
Current tax expense in respect of the current period	330,305,036	118,067,014	-	-
Deferred taxes relating to temporary differences	(35,426,730)	(3,372,174)	(37,517,341)	-
Income tax expense (income)	294,878,306	114,694,840	(37,517,341)	-

Income tax expense - discontinued operation for the nine-month periods ended September 30, 2020 and 2019, consist of the following : (for the three-month periods ended September 30, 2020 and 2019 : Nil)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
For the nine-month periods ended September 30,				
Current tax expense in respect of the current period	-	-	-	-
Deferred taxes relating to temporary differences	-	-	-	38,054,658
Income tax expense	-	-	-	38,054,658

Reconciliations of income tax expense - continued operation for the three-month and nine-month periods ended September 30, 2020 and 2019, as follows:

			Unit : Baht	
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the three-month periods ended September 30,	2020	2019	2020	2019
Accounting profit (loss) before tax				
expense - continued operation	555,653,915	7,669,097	(28,218,234)	(82,138,525)
Corporate income tax rate	20%	20%	20%	20%
Income tax as income tax rate	111,130,783	1,533,819	(5,643,647)	(16,427,705)
Effect of tax losses	(32,023,477)	29,493,506	(31,873,694)	11,354,661
Effect of transactions that are not taxable income and expenses	11,304,093	2,469,725	-	5,073,044
Income tax expense (income)	90,411,399	33,497,050	(37,517,341)	-
Effective tax rate	16.27%	436.78%	132.95%	0%

			Unit : Baht	
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the nine-month periods ended September 30,	2020	2019	2020	2019
Accounting profit (loss) before tax				
expense - continued operation	1,466,516,465	275,138,343	(79,304,949)	(26,862,191)
Corporate income tax rate	20%	20%	20%	20%
Income tax as income tax rate	293,303,293	55,027,669	(15,860,990)	(5,372,538)
Effect of tax losses	(22,391,982)	43,340,975	(21,671,874)	-
Effect of transactions that are not taxable income and expenses	23,966,995	16,326,196	15,523	5,372,538
Income tax expense (income)	294,878,306	114,694,840	(37,517,341)	-
Effective tax rate	20.11%	41.69%	47.31%	0%

Reconciliation of income tax expense - discontinued operation for the three-month and nine-month periods ended September 30, 2020 and 2019 as follow:

			Unit : Baht	
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the three-month periods ended September 30,	2020	2019	2020	2019
Accounting profit (loss) before tax				
expense - continued operation	-	(15,782,197)	-	88,093,709
Corporate income tax rate	-	20%	-	20%
Income tax as income tax rate	-	(3,156,439)	-	17,618,742
Effect of tax losses	-	-	-	-
Effect of transactions that are not taxable income and expenses	-	3,156,439	-	(17,618,742)
Income tax expense	-	-	-	-
Effective tax rate	-	0%	-	0%

For the nine-month period ended September 30,	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accounting loss before tax				
expense - discontinued operation	-	(15,782,197)	-	(118,738,796)
Corporate income tax rate	-	20%	-	20%
Income tax as income tax rate	-	(3,156,439)	-	(23,747,759)
Effect of tax losses	-	-	-	-
Effect of transactions that are not taxable income and expenses	-	3,156,439	-	61,802,417
Income tax expense	-	-	-	38,054,658
Effective tax rate	-	0%	-	32.05%

25. SHARE CAPITAL

On May 13, 2020, the Annual General Meeting passed a resolution to decrease the authorized capital of the Company by Baht 2,186,352,891.99 from Baht 14,332,757,847.49 to Baht 12,146,404,955.50 by decreasing in par value of shares from Baht 0.59 per share to be Baht 0.50 per share to compensate discount on ordinary share and retained deficit of the Company. The Company has registered decrease in share capital a par value of the shares with the Department of Business Development, the Ministry of Commerce on July 15, 2020.

26. DISCONTINUED OPERATION

On April 11, 2019, the Extraordinary General Meeting No. 1/2019 passed a resolution to approve the restructuring business by approving the transfer of the Company's operations which comprised of the production and distribution of books and printed items, Multimedia business including the television and radio production, the sales and purchase of copyrights for television and satellite broadcasting, and other publishing business to a new established subsidiary ("SMM Plus") including all assets, commercial liabilities, unconditional loans, and all relevant staff of the Company and approving the sale of investment in its subsidiary to Best Book Company Limited, a non-related company. The Company has sold the investment in its subsidiary on August 15, 2019 in amounting Baht 350 million and there was gain on sale of Baht 96.46 million which was recognized in statement of profit or loss and other comprehensive income.

The Group discloses line items of discontinued operations for the three-month and nine-month periods ended September 30, 2019 as follows :

For the three-month periods ended September 30, Statement of profit or loss and other comprehensive incomes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019		2019	
Revenues				
Revenue from sales	39,135,901		-	
Revenue from rendering services	15,841,639		-	
Gain on foreign exchange rate - net	39,074		-	
Gain from sale of investment	-		96,461,400	
Other income	280,925		1,875	
Total revenues	55,297,539		96,463,275	

	Unit : Baht	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
For the three-month period ends September 30, (continued)	2019	2019
Expenses		
Costs of sales	28,507,701	-
Costs of rendering services	22,794,302	-
Distribution costs	2,768,865	-
Administrative expenses	14,503,679	5,864,377
Total expenses	68,574,547	5,864,377
Operating profit (loss)	(13,277,008)	90,598,898
Finance cost	(2,505,189)	(2,505,189)
Profit (loss) before income tax expense	(15,782,197)	88,093,709
Income tax expense	-	-
Net profit (loss) for the period from discontinued operations	(15,782,197)	88,093,709
For the nine-month periods ended September 30,		
<u>Statement of profit or loss and other comprehensive incomes</u>		
Revenues		
Revenue from sales	39,135,901	68,403,690
Revenue from rendering services	15,841,639	72,090,058
Gain on foreign exchange rate - net	39,074	244,532
Gain from sale of investment	-	96,461,400
Other income	280,925	4,063,268
Total revenues	55,297,539	241,262,948
Expenses		
Costs of sales	28,507,701	211,822,934
Costs of rendering services	22,794,302	82,953,595
Distribution costs	2,768,865	9,186,614
Administrative expenses	14,503,679	42,326,690
Total expenses	68,574,547	346,289,833
Operating loss	(13,277,008)	(105,026,885)
Finance income	-	20,815
Finance cost	(2,505,189)	(13,732,726)
Loss before income tax expense	(15,782,197)	(118,738,796)
Income tax expense	-	(38,054,658)
Net loss for the periods from discontinued operations	(15,782,197)	(156,793,454)
<u>Statement of cash flows</u>		
Net cash used in operating activities	(12,271,056)	(23,788,377)
Net cash provided by investing activities	360,320,495	338,605,621
Net cash provided by (used in) financing activities	(318,709,314)	92,457,094
Net decrease in cash and cash equivalents from discontinued operations	29,340,125	407,274,338

27. OPERATING SEGMENT

Operating segment information is prepared in consistent with the internal report used for a making decisions about the allocation of resources to each segment and for assessing its performance. The highest authority for making decision in the Group's operation is the Company's Board of Directors.

The Group has the significant operation segment as follows:

Segment 1 : Manufacturing, trading, and providing the service test of the wire products made from copper and aluminum, in order to be used in the electrical transition, telecommunications and construction

Segment 2 : Rendering manpower service

Segment 3 : Providing other service related to the petroleum business

Segment 4 : Rental properties income

Business segments for the three-month and nine-month periods ended September 30, 2020 and 2019 were as follows:

For the three-month period ended September 30,	CONSOLIDATED FINANCIAL STATEMENT				
	2020				
	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sales - recognition at a point in time	4,256,931,119	-	-	-	4,256,931,119
Revenue from rendering services - recognition at a point in time	2,899,105	-	-	-	2,899,105
Revenue from manpower services - recognition over time	-	372,379,932	-	-	372,379,932
Revenue from other services related to petroleum business - recognition at a point in time	-	-	18,193,039	-	18,193,039
Rental income - recognition over time	-	-	-	4,768,958	4,768,958
Costs of goods sold	(3,367,842,584)	-	-	-	(3,367,842,584)
Costs of rendering services	(1,315,794)	-	-	-	(1,315,794)
Costs of manpower services	-	(276,668,542)	-	-	(276,668,542)
Costs of other services related to petroleum business	-	-	(45,131,470)	-	(45,131,470)
Costs of rental	-	-	-	(4,030,926)	(4,030,926)
Gross profit (loss)	890,671,846	95,711,390	(26,938,431)	738,032	960,182,837
Finance income					6,573,940
Loss on foreign exchange rate - net					(110,442,855)
Other income					5,713,103
Distribution cost					(114,039,000)
Administrative expenses					(93,859,339)
Gain on fair value measurement of derivative					73,296,226
Finance cost					(183,904,726)
Impairment loss determined in accordance with Thai Financial Reporting Standard No. 9					11,402,110
Share of profit from investments in an associate					731,619
Profit before income tax					555,653,915
Income tax expenses					(90,411,399)
Profit for the period					465,242,516

Information about transactions with major customers

Revenue earned from major customers (Baht)	1,164,565,585	339,219,677	9,984,067	8,175,174	1,521,944,503
Number of major customers (customers)	3	1	5	5	

For the three-month period ended September 30,	CONSOLIDATED FINANCIAL STATEMENT				
	2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sales - recognition at a point in time	2,454,527,646	-	-	-	2,454,527,646
Revenue from rendering services - recognition at a point in time	3,074,800	-	-	-	3,074,800
Revenue from manpower services - recognition over time	-	307,649,070	-	-	307,649,070
Revenue from other services related to petroleum business - recognition at a point in time	-	-	21,207,878	-	21,207,878
Rental income - recognition over time	-	-	-	11,799,677	11,799,677
Costs of goods sold	(2,112,036,211)	-	-	-	(2,112,036,211)
Costs of rendering services	(1,405,965)	-	-	-	(1,405,965)
Costs of manpower services	-	(257,126,118)	-	-	(257,126,118)
Costs of other services related to petroleum business	-	-	(23,623,656)	-	(23,623,656)
Costs of rental	-	-	-	(12,995,244)	(12,995,244)
Gross profit (loss)	344,160,270	50,522,952	(2,415,778)	(1,195,567)	391,071,877
Finance income					18,012,473
Gain on foreign exchange rate - net					41,607,909
Other income					2,086,708
Distribution cost					(66,335,473)
Administrative expenses					(91,795,606)
Listing License Fee					(162,446,940)
Finance cost					(125,332,858)
Share of profit from investments in an associate					801,007
Gain before income tax					7,669,097
Income tax expenses					(33,497,050)
Loss for the period from continued operations					(25,827,953)
Loss for the period from discontinued operations					(15,782,197)
Loss for the period					(41,610,150)
Information about transactions with major customers					
Revenue earned from major customers (Baht)	941,049,499	296,074,335	13,350,796	8,277,877	1,258,752,507
Number of major customers (customers)	2	1	5	5	

For the nine-month period ended September 30,	CONSOLIDATED FINANCIAL STATEMENT				
	2020				
	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sales - recognition at a point in time	10,626,191,757	-	-	-	10,626,191,757
Revenue from rendering services - recognition at a point in time	80,344,708	-	-	-	80,344,708
Revenue from manpower services - recognition over time	-	1,091,720,855	-	-	1,091,720,855
Revenue from other services related to petroleum business - recognition at a point in time	-	-	86,547,376	-	86,547,376
Rental income - recognition over time	-	-	-	31,802,367	31,802,367
Costs of goods sold	(8,783,683,875)	-	-	-	(8,783,683,875)
Costs of rendering services	(4,231,451)	-	-	-	(4,231,451)
Costs of manpower services	-	(870,548,941)	-	-	(870,548,941)
Costs of other services related to petroleum business	-	-	(100,847,340)	-	(100,847,340)
Costs of rental	-	-	-	(33,580,705)	(33,580,705)
Gross profit (loss)	1,918,621,139	221,171,914	(14,299,964)	(1,778,338)	2,123,714,751
Finance income					14,354,587
Gain on foreign exchange rate - net					258,104,639
Other income					42,100,398
Distribution cost					(274,693,191)
Administrative expenses					(276,159,273)
Gain on fair value measurement of derivative					62,716,978
Finance cost					(473,504,008)
Reversal of impairment loss determined in accordance with Thai Financial Reporting Standard No. 9					(12,231,158)
Share of profit from investments in an associate					2,112,742
Profit before income tax					1,466,516,465
Income tax expenses					(294,878,306)
Profit for the period					1,171,638,159
Information about transactions with major customers					
Revenue earned from major customers (Baht)	2,079,497,570	1,001,925,205	57,938,621	16,625,292	3,155,986,688
Number of major customers (customers)	2	1	2	2	

For the nine-month period ended September 30,	CONSOLIDATED FINANCIAL STATEMENT				
	2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sales - recognition at a point in time	7,552,806,913	-	-	-	7,552,806,913
Revenue from rendering services - recognition at a point in time	7,327,800	-	-	-	7,327,800
Revenue from manpower services - recognition over time	-	904,797,766	-	-	904,797,766
Revenue from other services related to petroleum business - recognition at a point in time	-	-	61,485,616	-	61,485,616
Rental income - recognition over time	-	-	-	35,530,556	35,530,556
Costs of goods sold	(6,619,953,700)	-	-	-	(6,619,953,700)
Costs of rendering services	(3,841,985)	-	-	-	(3,841,985)
Costs of manpower services	-	(749,728,429)	-	-	(749,728,429)
Costs of other services related to petroleum business	-	-	(75,507,251)	-	(75,507,251)
Costs of rental	-	-	-	(36,075,984)	(36,075,984)
Gross profit (loss)	936,339,028	155,069,337	(14,021,635)	(545,428)	1,076,841,302
Finance income					52,195,620
Gain on foreign exchange rate - net					108,759,846
Other income					5,986,328
Distribution cost					(185,013,968)
Administrative expenses					(243,147,256)
Listing License Fee					(162,446,940)
Finance cost					(380,604,929)
Share of profit from investments in an associate					2,568,340
Profit before income tax					275,138,343
Income tax expenses					(114,694,840)
Profit for the period from continued operations					160,443,503
Loss for the period from discontinued operations					(15,782,197)
Profit for the period					144,661,306
Information about transactions with major customers					
Revenue earned from major customers (Baht)	2,164,792,605	870,136,784	27,068,921	23,064,262	3,085,062,572
Number of major customers (customers)	2	1	3	3	

28. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share for the three-month and nine-month periods ended September 30, are calculated by dividing the profit (loss) for the periods by the weighted average number of ordinary shares outstanding during the periods as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
For the three-month periods ended September 30,				
Profit (loss) for the periods of the owner of the Company (Baht)				
Profit (loss) for the period from continued operations	462,461,154	(65,302,238)	9,299,107	(26,862,691)
Profit (loss) for the period from discontinued operations	-	(15,782,184)	-	88,093,709
	<u>462,461,154</u>	<u>(81,084,422)</u>	<u>9,299,107</u>	<u>61,231,018</u>
Weighted average ordinary shares capital (share)				
Issued and paid-up shares capital	23,812,809,911	-	23,812,809,911	323,211,005
Weighted average share capital from business combination under reverse acquisition	-	20,288,879,638 ⁽¹⁾	-	-
Effects from issued shares during the period				
Weighted average number of ordinary shares	<u>-</u>	<u>14,379,698</u>	<u>-</u>	<u>19,771,626,074</u>
Weighted average number of ordinary shares for basic earnings (loss) per shares	<u>23,812,809,911</u>	<u>20,303,259,336</u>	<u>23,812,809,911</u>	<u>20,094,837,079</u>
Basic earnings (loss) per share (Baht)				
Earnings (loss) from continued operations	0.0194	(0.0032)	0.0004	(0.0013)
Earnings (loss) from discontinued operations	-	(0.0008)	-	0.0044
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
For the nine-month periods ended September 30,				
Profit (loss) for the periods of the owner of the Company (Baht)				
Profit (loss) for the period from continued operations	1,163,886,409	67,368,081	(41,787,608)	(26,862,691)
Profit (loss) for the period from discontinued operations	-	(15,782,184)	-	(156,793,454)
	<u>1,163,886,409</u>	<u>51,585,897</u>	<u>(41,787,608)</u>	<u>(183,656,145)</u>
Weighted average ordinary shares capital (share)				
Issued and paid-up shares capital	23,812,809,911	-	23,812,809,911	323,211,005
Weighted average share capital from business combination under reverse acquisition	-	22,221,159,860 ⁽¹⁾	-	-
Effects from issued shares during the period				
Weighted average number of ordinary shares	<u>-</u>	<u>15,749,193</u>	<u>-</u>	<u>6,662,965,564</u>
Weighted average number of ordinary shares for basic earnings (loss) per shares	<u>23,812,809,911</u>	<u>22,236,909,053</u>	<u>23,812,809,911</u>	<u>6,986,176,569</u>
Basic earnings (loss) per share (Baht)				
Earnings (loss) from continued operations	0.0489	0.0030	(0.0018)	(0.0038)
Earnings (loss) from discontinued operations	-	(0.0007)	-	(0.0224)

- (1) Weighted average ordinary shares capital from business combination under reverse acquisition calculated by sum of ordinary share capital from the beginning period to acquisition date of Team A Holding 2 Company Limited (accounting acquirer) and weighted average ordinary shares from the beginning period to acquisition date to the end of the reporting period of Stark Corporation Public Company Limited (accounting acquire)

For the three-month and nine-month periods ended September 30, 2020 and 2019, there is no dilutive potential ordinary share in calculation of diluted earnings (loss) per share.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial assets or financial liabilities which is measured at fair value and their fair value hierarchy level classification as at the end of each reporting period was summarized as follows:

Financial assets and financial liabilities	CONSOLIDATED		SEPARATE		Fair value hierarchy	Valuation techniques and key inputs for fair value Measurement
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS			
	Fair value as at		Fair value as at			
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019		
	(Baht)		(Baht)			
<u>Financial assets</u>						
Foreign exchange forward contracts	18,101,616	8	-	-	Level 2	Discounted cash flow The estimated future cash flows is from forward foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
<u>Financial liabilities</u>						
Foreign exchange forward contracts	-	53,265,785	-	-	Level 2	Discounted cash flow The estimated future cash flows is from forward foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

The financial assets and financial liabilities which are not measured at fair value are as follows:

Cash and cash equivalents, trade and other current receivables, other current asset, short-term borrowings from a financial institution, trade and other current payables, current portion of long-term borrowings from financial institution and current portion of other long-term borrowings, current portion of lease liabilities, short-term borrowings from related companies, other short-term borrowings, income tax payable, and other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

The carrying value of long-term loans from related companies approximates to its fair value due to the contractual interest rate is closed to the market interest rate. The fair value is determined by applying the discontinued cash flows method, which has hierarchy level classified in level 3.

Long-term borrowing from financial institutions bearing fixed interest rate as at September 30, 2020 and December 31, 2019 has the carrying value amounting of Baht 87.49 million and Baht 107.68 million, respectively, and has fair value of Baht 84.68 million and Baht 100.39 million, respectively. The fair value has been measured by discounted cash flows method and has the fair value hierarchy in level 3.

The remaining long-term borrowings from financial institutions with floating interest rate, have the fair values approximate to their carrying values. The fair value amount is measured by using the discounted cash flow method, which has the fair value hierarchy level classified in level 3.

The carrying value of long-term borrowings from related companies approximates to its fair value due to the contractual interest rate is closed to the market interest rate. The fair value are determined by applying the discontinued cash flows method, which have hierarchy level classified in level 3.

30. DERIVATIVE ASSETS AND LIABILITIES

Derivative assets consist of the following : (separate financial statement : Nil)

CONSOLIDATED FINANCIAL STATEMENT			
As at September 30, 2020			
	Contract value (USD)	Contract value (Baht)	Net fair value (Baht)
Forward foreign exchange contracts	88,487,117	2,784,274,022	18,101,616
CONSOLIDATED FINANCIAL STATEMENT			
As at December 31, 2019			
	Contract value (USD)	Contract value (Baht)	Net fair value (Baht)
Forward foreign exchange contracts	7,767,850	247,017,627	8

Derivative liabilities (as at September 30, 2020 : Nil) consist of the following :

CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2019				
	Contract value (USD)	Contract value (Baht)	Net carrying value (Baht)	Net fair value (Baht)
Forward foreign exchange contracts	70,385,140	2,163,613,482	(53,265,785)	(44,615,370)

As at September 30, 2020 and December 31, 2019, such forward foreign exchange contracts have maturity date within 11 months and 5 months by respectively, from the statement of financial position date.

31. TRANSACTIONS BETWEEN RELATED PARTIES

The Group had transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the financial statements were determined at prices in line with and occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price existed. Transactions between related parties were as follows:

31.1 Balances with related parties as at September 30, 2020 and December 31, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Unit : Baht				
Trade receivables				
Related companies	15,530,362	13,992,066	-	-
Total	15,530,362	13,992,066	-	-
Other current receivables				
Indirect associate	2,621,350	5,682,320	-	-
Related companies	4,533,843	5,387,342	-	-
Total	7,155,193	11,069,662	-	-
Short-term loan to related companies				
Related companies	190,834,925	30,000,000	-	-
Total	190,834,925	30,000,000	-	-
Long-term loan to related companies				
Related companies	43,369,191	63,369,191	-	-
Total	43,369,191	63,369,191	-	-
Interest receivables				
Related companies	265,484,231	250,047,633	-	-
Total	265,484,231	250,047,633	-	-
Trade payables				
Indirect associate	7,347,172	14,157,723	-	-
Related companies	36,607,549	63,974,272	-	-
Total	43,954,721	78,131,995	-	-
Other current payables				
Related companies	41,899,672	10,284,277	-	-
Total	41,899,672	10,284,277	-	-
Short-term borrowings from related companies				
Direct subsidiaries	-	-	211,807,041	246,807,041
Indirect subsidiaries	-	-	3,000,000	-
Related companies	48,000,000	-	8,000,000	-
Total	48,000,000	-	222,807,041	246,807,041
Long-term borrowings from related companies				
Direct subsidiary	-	-	1,000,000,000	1,000,000,000
A related company	5,695,649	5,695,649	-	-
Total	5,695,649	5,695,649	1,000,000,000	1,000,000,000

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Interest payables				
Direct subsidiary	-	-	50,089,787	-
Indirect subsidiary	-	-	55,233	7,118,308
Related companies	289,635	-	142,216	-
Related person	1,183,233	-	-	-
Total	1,472,868	-	50,287,236	7,118,308

31.2 Transactions with related parties for the three-month periods ended September 30, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Revenue from sales				
Indirect associate	-	4,080	-	-
Related companies	4,343,408	458,659	-	-
Purchases				
Indirect associate	16,624,295	17,373,320	-	-
Related companies	55,918,035	53,248,331	-	-
Interest incomes				
Related companies	1,136,639	-	-	-
Management fee income				
Indirect associate	300,000	300,000	-	-
Other income				
Related companies	960,000	960,000	-	-
Revenue from sales scrap				
Indirect associate	3,243,620	2,484,290	-	-
Interest expense				
Direct subsidiaries	-	-	16,572,253	18,078,391
Indirect subsidiary	-	-	39,699	-
Related companies	235,697	-	88,278	-
Freight expense				
Related companies	27,299,258	28,493,640	-	-

Transactions with related parties for the nine-month periods ended September 30, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Unit : Baht				
Revenue from sales				
A subsidiary - before reverse acquisition	-	-	-	30,124,710
Indirect associate	7,880	6,787	-	-
Related companies	15,755,690	46,764,629	-	-
Purchases				
Indirect associate	43,930,357	54,107,695	-	-
Related companies	207,878,180	262,518,602	-	-
Interest incomes				
Related companies	3,909,554	1,160,349	-	-
Management fee income				
Indirect associate	900,000	900,000	-	-
Other income				
A subsidiary - before reverse acquisition	-	-	-	2,735,335
Related companies	2,880,000	2,887,064	-	-
Revenue from sales scrap				
Indirect associate	7,475,020	7,010,950	-	-
Related companies	-	586,815	-	-
Interest expense				
Direct subsidiary	-	-	49,925,287	18,078,391
Indirect subsidiary	-	-	55,233	-
Related companies	289,635	4,233,745	142,216	-
A related person	-	1,645,479	-	-
Freight expense				
Related companies	87,377,412	87,435,366	-	-

31.3 Directors and managements' remuneration for the three-month and nine-month periods ended September 30, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Unit : Baht				
For the three-month periods ended September 30,				
Short-term employee benefits	8,254,050	9,067,580	750,000	-
Post-employment benefits	2,790,126	681,248	206,225	-
Total	11,044,176	9,748,828	956,225	-
For the nine-month periods ended September 30,				
Short-term employee benefits	24,262,150	27,760,907	1,500,000	-
Post-employment benefits	12,301,868	15,940,616	-	-
Total	36,564,018	43,701,523	1,500,000	-

31.4 Guarantees and collaterals

As at September 30, 2020, the Company, Thai Cable International Company Limited and Adisorn Songkhla Company Limited which is the Company's subsidiary guaranteed Phelps Dodge International (Thailand) Limited's short-term and long-term borrowings from a financial institution. (see Notes 17 and 21).

31.5 Significant agreement

Phelps Dodge International (Thailand) Limited, a subsidiary, has entered into a management service agreement with PDTL Trading Co., Ltd., a subsidiary, and Thai Copper Rod Co., Ltd., an associate. Phelps Dodge International (Thailand) Limited had agreed to provide the services regarding the management, finance, personnel, purchasing, engineering and marketing. Under the conditions of the agreement, the service provider shall receive a monthly fee, commencing in 2013 onward. The agreement shall be extended for 1 year unless being early terminated. However, the service agreement of PDTL Trading Co., Ltd., has been terminated on April 30, 2019.

31.6 Nature of relationship

Name	Country / Nationality	Relationship	Type of relationship
<u>Before reverse acquisition</u>			
SMM Plus Co., Ltd. ⁽¹⁾	Thailand	Subsidiary	Direct shareholder
Land and Home partnership ⁽²⁾	Thailand	Related Company	Two partners are directors and major shareholders of the company
<u>After business combination</u>			
Phelps Dodge International (Thailand) Ltd.	Thailand	Direct subsidiary	Direct shareholder
PDTL Trading Co., Ltd.	Thailand	Direct subsidiary	Direct shareholder
Adisorn Songkhla Co., Ltd.	Thailand	Direct subsidiary	Direct shareholder
PD CABLE (SG) PTE. LTD	Singapore	Indirect subsidiary	Indirect shareholder
Thinh Phat Cables Joint Stock Company	Vietnam	Indirect subsidiary	Indirect shareholder
Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company	Vietnam	Indirect subsidiary	Indirect shareholder
NMN Holding 2 Co., Ltd.	Thailand	Indirect subsidiary	Indirect shareholder
Thai Cable International Co., Ltd	Thailand	Indirect subsidiary	Indirect shareholder
ADS Logistic Co., Ltd.	Thailand	Indirect subsidiary	Indirect shareholder
Adisornsongkhla International Co., Ltd.	Thailand	Indirect subsidiary	Indirect shareholder
Adisornsongkhla Marine Co., Ltd.	Thailand	Indirect subsidiary	Indirect shareholder
Adisornsongkhla Professional Co., Ltd.	Thailand	Indirect subsidiary	Indirect shareholder
Thai Copper Rod Co., Ltd.	Thailand	Indirect associate	Indirect shareholder
Team A Holding Co., Ltd.	Thailand	Related company	Common shareholders and directors
MM Logistics Co., Ltd.	Thailand	Related company	Common shareholders and directors
MM Asia Limited	Thailand	Related company	Common shareholders and directors
MM Carrier Co., Ltd.	Thailand	Related company	Common shareholders and directors
MM Catering Co., Ltd.	Thailand	Related company	Common shareholders and directors
Asia Pacific Drilling Engineering Co., Ltd.	Thailand	Related company	Common shareholders and directors
MM Freight Forwarding Co., Ltd. (formerly WL (Thailand) Limited)	Thailand	Related company	Common shareholders and directors
Connection Lathe Services co. ltd	Thailand	Related company	Common shareholders and directors
Industrial Construction & Maintenance Services Public Company Limited	Thailand	Related company	Common shareholders and directors

Name	Country / Nationality	Relationship	Type of relationship
Propet (Thailand) Co., Ltd.	Thailand	Related company	Common shareholders and directors
TOA Paint (Thailand) Public Company Limited	Thailand	Related company	Common shareholders and directors
T.C.K. Plastic Co., Ltd.	Thailand	Related company	Common shareholders and directors
T.C.K. Interplas Co., Ltd.	Thailand	Related company	Common shareholders and directors
Right tunnelling Co.,Ltd.	Thailand	Related company	Common shareholders and directors
Super Pack Plastic Co.,Ltd	Thailand	Related company	Common shareholders and directors
Bee wave Co.,Ltd.	Thailand	Related company	Common shareholders and directors
A related person	Thai	-	Shareholder and/or director

(1) SMM Plus Company Limited is not a subsidiary of the Company since August 15, 2019 because the Company had sold such subsidiary on August 15, 2019.

(2) Land and Home partnership is not a related company since June 30, 2018

Basis of measurement for intercompany revenues and expenses

	Pricing policies
Interest income and interest expense	Referred to the commercial bank/financial institution's interest rate.
Purchase - sale of goods	Price as specified in the agreement for business of manufacturing, trading, and providing the service test of the wire products made from copper and aluminum, and normal price deduct special discount for book business
Revenue from management fee	Price as specified in the agreement
Other income	Price as specified in the agreement
Revenue from sales of scrap	Price as specified in the agreement
Transportation fee	Price as specified in the agreement
Building rental expense	Price as specified in the agreement

32. COMMITMENTS, LETTER OF GUARANTEE AND SIGNIFICANT AGREEMENTS

32.1 Purchases of raw materials and machinery commitments

As at September 30, 2020 and December 31, 2019, the subsidiaries has outstanding commitments in respect of purchases of raw materials and machinery as follows:

	Unit : Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at September 30, 2020	As at December 31, 2019
Purchases of raw materials commitment	3,376,039,762	1,852,982,369
Purchases of machinery commitment	296,204,792	450,079,799
Others	71,659	-
Total	<u>3,672,316,213</u>	<u>2,303,062,168</u>

32.2 Letters of guarantees

As at September 30, 2020 and December 31, 2019, the subsidiaries had letters of guarantees issued by banks on behalf of the subsidiary in respect of certain performance bonds as required in the normal course of business and the electricity usage of the subsidiary and others as follows: (separate financial statements : Nil)

CONSOLIDATED FINANCIAL STATEMENTS						
As at September 30, 2020						
	Baht	US Dollar	India Rupee	Hong Kong Dollar	Srilanka Rupee	Vietnam Dong
Letters of guarantee for contractual performance without collateral	496,726,494	5,315,005	3,471,468	-	-	-
Letters of guarantee for contractual performance with collateral *	-	-	45,131,815	-	-	-
Letters of guarantee for electricity usage and others without collateral	370,891,091	112,692	-	7,000,000	-	-
Letters of guarantee for electricity usage and others with collateral	485,400	-	-	-	-	-
Letters of guarantee for rendering services with collateral *	6,620,000	-	-	-	-	-
Letter of Guarantee of warranty	-	-	-	-	-	104,577,618,386
Letter of Guarantee of bidding	-	-	-	-	-	53,811,824,211
Letter of Guarantee of advance payment	-	-	-	-	-	41,907,474,637
Letter of Guarantee of Contract implementation	-	-	-	-	-	51,310,671,686
Letter of Guarantee of Contract implementation and warranty	-	-	-	-	-	247,605,000
Letter of Guarantee of payment	-	-	-	-	-	47,283,375,494

CONSOLIDATED FINANCIAL STATEMENTS					
As at December 31, 2019					
	Baht	US Dollar	India Rupee	Hong Kong Dollar	Srilanka Rupee
Letters of guarantee for contractual performance without collateral	621,258,304	1,968,211	3,471,468	-	-
Letters of guarantee for contractual performance with collateral *	-	-	63,209,135	-	-
Letters of guarantee for electricity usage and others without collateral	458,030,884	57,844	-	7,000,000	1,300,000
Letters of guarantee for electricity usage and others with collateral *	1,139,000	-	-	-	-
Letters of guarantee for rendering services with collateral*	7,400,475	30,000	-	-	-

* As at September 30, 2020 and December 31, 2019, cash at bank - saving account of a subsidiary amount of Baht 65.73 million and Baht 39.07 million, respectively, is used as collateral for bank guarantee for contractual performance.

32.3 Letters of credit, trust receipt and telegraphic transfer facility

As at September 30, 2020 and December 31, 2019, the subsidiary had unused letters of credit, trust receipt and telegraphic transfer facility were as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at September 30, 2020				
	US Dollar	Baht	Vietnam Dong	Guaranteed / Collateral
Unused letters of credit, trust receipt and telegraphic transfer facility	20,000,000	695,195,993	575,325,971,107	None
Unused letters of credit, trust receipt and telegraphic transfer facility	35,893,208	908,769,799	434,929,953,608	1. Land, inventory, cash at banks - time deposit (see Note 14)

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2019				
	US Dollar	Baht	Guaranteed / Collateral	
Unused letters of credit, trust receipt and telegraphic transfer facility	16,995,762	1,450,418,970	None	
Unused letters of credit, trust receipt and telegraphic transfer facility	26,639,065	1,675,606,722	1. The mortgage of the subsidiary's land, structures and machinery (see Note 14)	

33. RECLASSIFICATIONS

Items in the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 presented as comparative information have been reclassified to conform to the presentation used in the consolidated financial statements for the three-month and nine-month periods ended September 30, 2020 as follows:

Items	Amount (Baht)	Previous presentation	Current presentation
Statement of financial position as at December 31, 2019			
Derivative assets	8	Receivable - foreign exchange forward contract	Derivative assets
Derivative liabilities	53,265,785	Payable - foreign exchange forward contract	Derivative liabilities
Current portion of lease liabilities	17,771,652	Current portion of liabilities under finance lease agreements	Current portion of lease liabilities
Lease liabilities	39,134,959	Liabilities under finance lease agreements	Lease liabilities

Items	Amount (Baht)	Previous presentation	Current presentation
Statement of profit or loss and other comprehensive income for the three-month period ended September 30, 2019			
Finance income	18,012,473	Interest income	Finance income
Statement of profit or loss and other comprehensive income for the nine-month period ended September 30, 2019			
Finance income	52,195,620	Interest income	Finance income

Such reclassifications have no impact to the consolidated statement of cash flows for nine-month period ended September 30, 2020.

34. EVENT AFTER THE REPORTING PERIOD

On November 1, 2020, the Company has entered into the management service agreements with five subsidiaries. The Company had agreed to provide the services regarding financial management, business development, marketing, and human resource. Under the conditions of the agreements, the Company shall receive service fees on the monthly basis. The agreements become effective from November 1, 2020 and shall be extended for a period of 1 year until the agreements are terminated.

On November 5, 2020, the Board of Directors' Meeting No. 9/2020 passed a resolution to approve proposing the following topics to the Extraordinary General Meeting of Shareholders No. 2/2020 for approval:

- Considering the approval of change in par value of the Company's shares from Baht 0.50 per share to Baht 1.00 per share by combining shares and the approval to amend the Company's Memorandum of Association to be aligned with the change in par value of the Company's shares.
- Consider the approval of issuance of the warrants to purchase newly issued ordinary shares of the Company series 1 (STARK-W1) (the "STARK-W1 Warrants") not exceeding 3,968,801,651 units (after the change of par value by way of combining shares) for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering) at the ratio of 3 existing ordinary shares to 1 unit of the STARK-W1 Warrants, at the offering price of the STARK-W1 Warrants at THB 0.00 per unit with the exercise price of the STARK-W1 Warrants at Baht 5 per share (allocation ratio and exercise price is calculated from number of shares after the change of par value by way of combining share). The STARK-W1 Warrants shall have a term for exercise of 4 years from the issuance date of the STARK-W1 Warrants. In case there will be any fraction of STARK-W1 Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded.

- Consider the approval of reduction of the Company's registered capital by Baht 240,000,000 from the existing registered capital of Baht 12,146,404,955.50 to Baht 11,906,404,955.50 with a par value of Baht 0.50 per share by writing off non-subscripted shares of 480,000,000 shares with a par value of Baht 0.50 per share, remaining from the public offering of newly issued ordinary shares according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019, held on 11 April 2019, and the approval to amend the Company's Memorandum of Association to be aligned with the decrease in the Company's registered shares.
- Consider approving the increase of the Company's registered capital by Baht 3,968,801,651.50 from the existing registered capital of Baht 11,906,404,955.50 to Baht 15,875,206,607 by issuing 7,937,603,303 newly issued ordinary shares with par value of Baht 0.50 per share (before the change of par value by way of combining shares), totaling Baht 3,968,801,651.50 (which is equivalent to the issuance of newly issued ordinary shares in the amount of 3,968,801,651 shares with a par value of THB 1.00 per share) for allocate a newly issued ordinary shares by way of private placement and for the exercise of the STARK-W1 Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering), and the approval to amend the Company's Memorandum of Association to be aligned with the increase in the Company's registered shares.

35. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Board of Directors on November 11, 2020.