

STARK CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 December 31, 2020 and 2019, major shareholder of the Company to Mr. Vonnarat Tangkaravakoon, holdin 56.68% 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. As at December 31, 2020, the Company still does not issue and offer such debt security.

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 December 31, 2020, the Company and the Company’s subsidiary are in the process for establishment of such company.

As at December 31, 2020, the Group has total current liabilities exceeding total current assets in the consolidated and separate financial statements of Baht 3,318.25 million and Baht 482.99 million, respectively. However, the Group's management believes that the preparation of the 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 dated February 1, 2021 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 impacting 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	<u>(5,317,891,224)</u>
Goodwill	<u>4,424,236,325</u>

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	<u>(1,167,341,976)</u>
Goodwill	<u>583,301,082</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 financial statements for the year ended December 31, 2020. However, the management expected to have such appraisals complete within 12 months from the acquisition date.

Since the acquisition date up to December 31, 2020, TPC and DVN had revenue amounting Baht 3,860.40 million and Baht 4,033.16 million, respectively and net profit amounting Baht 136.10 million and Baht 128.75 million, respectively, which were included in the financial performance for the year ended December 31, 2020.

For the preparation of the consolidated financial statements for the year ended December 31, 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.

In addition, during the year, the Company identifies that such subsidiaries over recognized liabilities as at April 1, 2020; therefore, the Company adjusts net acquired identifiable assets. Net identifiable assets after adjustment 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	(488,757,266)
Provisions for employee benefits	(5,776,567)
Net identifiable assets and liabilities	(107,770,441)
<u>Less</u> Consideration paid	(41,000,200)
Goodwill	<u>148,770,641</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 financial statements for the year ended December 31, 2020. However, the management expected to have such appraisals complete within 12 months from the acquisition date.

Since the acquisition date up to December 31, 2020, NMN2 and its subsidiary had revenue amounting Baht 628.05 million and net profit amounting Baht 17.65 million, which were included in the financial performance for the year ended December 31, 2020.

For the preparation of the consolidated financial statements for the year ended December 31, 2020, the Group used net assets value from financial information of NMN2 and its subsidiary and recorded the difference amount between the purchase price and the consideration paid as goodwill.

As at December 31, 2020, the Group had total of goodwill Baht 6,049.78 million which came from such business acquisition during the current year amount of Baht 5,156.31 million and acquisition of Phelps Dodge International (Thailand) Limited in year 2015 amount of Baht 893.47 million.

1.3 The operations and general information of subsidiaries and an associate

The Company has subsidiaries and an associate (together called as the “Group”), by holding the shares in subsidiaries and an associate as at December 31, as follows:

	2020 Percentage of Investments (%)	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 PCTL 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 25% of registered share capital was called and paid on January 9, 2019 and another 75% was called and paid on April 18, 2019, 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 (see Note 1.2). The Company has already sold investment in subsidiary on August 15, 2019 in amount of Baht 350 million and has gain from sale of investment in amount of Baht 96.46 million which is recognized in the separate financial statement of profit or loss and other comprehensive income for the year ended December 31, 2019 (see Note 31).

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 December 31, 2020, the Company has current liabilities exceeding current assets. However, the Group's management believes that the preparation of the 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 PDDL 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 year period ended December 31, 2020, PDDL 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 PDDL Trading Co., Ltd. has no plan and for crease operation its total current asset was greater than its current liabilities as at December 31, 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 business 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 petroleum 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 year ended December 31, 2020, the Company has not operated yet.
- 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 petroleum 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 year ended December 31, 2020, the Company has not operated yet.
- 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 year ended December 31, 2020, the Company has not operated yet.
- 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.
- 1.3.15 Details of non-wholly owned subsidiaries that have material non-controlling interests as at December 31, were as follows:

Company's name	Country of incorporation	Portion of investment and voting right of non-controlling interests (%)		Comprehensive income allocated to non-controlling interests for the years ended December 31,		Unit : Baht	
						Cumulative of non-controlling interests as at December 31,	
		2020	2019	2020	2019	2020	2019
Phelps Dodge International (Thailand) Limited	Thai	0.72	0.72	9,005,500	2,969,580	21,746,032	13,272,433
PDTL Trading Co.,Ltd.	Thai	51.00	51.00	308,056	153,132	23,434,378	23,126,322

The summarized financial information prepared by the Group's management before eliminate the intra-group transactions of each subsidiaries which non-wholly owned subsidiaries that have material non-controlling interests for the years ended December 31, were as follows:

Subsidiary's name	Phelps Dodge International (Thailand) Limited		Unit : Baht PDTL Trading Co., Ltd.	
	2020	2019	2020	2019
Condensed statement of financial position as at December 31,				
Current assets	14,013,934,983	7,865,431,370	33,271,618	32,461,353
Non-current assets	10,064,337,522	2,952,667,455	12,748,142	12,954,376
Current liabilities	(17,935,643,895)	(7,048,954,697)	(70,000)	(70,000)
Non-current liabilities	(3,109,173,774)	(1,913,970,327)	-	-
Shareholder's equity hold by the Company	(3,033,454,836)	(1,855,173,801)	(45,949,760)	(45,345,729)
Condensed statement of profit or loss and other comprehensive income for the years ended December 31,				
Revenues	(15,534,347,582)	(10,378,299,050)	(709,403)	(864,200)
Expenses	14,285,318,406	9,966,427,629	105,372	563,942
Profit for the years	(1,249,029,176)	(411,871,421)	(604,031)	(300,258)
Condensed statement of cash flow for the years ended December 31,				
Net cash provided by operating activities	1,120,639,176	378,238,576	348,227	265,837
Net cash provided by (used in) investing activities	(7,367,899,667)	411,727,623	-	(30,000,000)
Net cash provided by financing activities	5,542,810,637	102,277,751	-	-
Net increase (decrease) in cash and cash equivalents	(704,449,854)	892,243,950	348,227	(29,734,163)

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019.
- 2.3 Basis of preparation of the consolidated financial statements
 - 2.3.1 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) (see Note 2.3.3) 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 (see Note 2.3.4).
 - 2.3.2 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.

2.3.3 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.

2.3.4 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 in in shareholder's equity.

2.4 Basic of preparation of the separate financial statements

The separate statements of financial position as at December 31, 2019, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in shareholders' equity, and separate statement of cash flow for the year ended December 31, 2019, presented herein for comparison, have been derived from the financial statements for the year then.

2.5 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 as follows: (separate financial statements : Nil)

		As at December 31, 2019	TFRS 9	TFRS 16	Unit : Baht As at January 1, 2020
Notes					
Consolidated statement of financial position					
Current asset					
Trade and other current receivables - net	2.5.1	3,464,593,042	(100,994,424)	-	3,363,598,618
Non-current asset					
Investment properties	2.5.2	172,429,376		92,221,343	264,650,719
Property, plant and equipment - net	2.5.2	2,603,577,079	-	(43,508,483)	2,572,644,982
Right-of-use assets - net	2.5.2	-	-	78,216,260	78,216,260
Current liabilities					
Current portion of lease liabilities - net	2.5.2	-	-	51,511,723	51,511,723
Current portion of liabilities under finance lease agreements - net	2.5.2	17,771,652	-	(17,771,652)	-
Derivative liabilities	2.5.1	-	44,615,370	-	44,615,370
Payable - foreign exchange forward contract	2.5.1	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 (continued)					
Non-current liabilities					
Lease liabilities - net	2.5.2	-	-	132,324,008	132,324,008
liabilities under finance lease agreements - net	2.5.2	39,134,959	-	(39,134,959)	-
Deferred tax liabilities		237,122,464	(18,468,802)	-	218,653,662
Retained earnings - unappropriated		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 financial information during year 2020. Total adjustment amount affecting to unappropriated retained earnings as at January 1, 2020 is Baht 73.88 million.

2.5.1 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 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
Consolidated 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.

2.5.2 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 end 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 financial statements for the year ended periods ended December 31, 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.

2.6 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Group has not adopted such accounting relief measures in the preparation of the financial statements for the year ended December 31, 2020.

2.7 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:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

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 financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

3.1 Business combinations

The Group apply the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group and the Company take into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

In case that the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree is lower than the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date, the Group recognizes purchase bargain in statement of profit or loss and other comprehensive income as it incurred.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group and the Company to the previous owners of the acquiree, and equity interests issued by the Group and the Company. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Subsidiaries

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Associate

Associate is entity in which the Group has significant influence, by has the authority to participate in the financial and operational policies decision but not control or joint control, over the financial and operating policies.

Interests in an associate is accounted for using the equity method. This is recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss of equity-accounted investees in the profit or loss and other comprehensive income, until the date on which significant influence.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, and all types of deposits at financial institutions with original maturities of 3 months or less and excluding deposit at financial institution used as collateral.

3.3 Other current financial assets

Other current financial assets are deposit at banks having a maturity exceeding 3 months but less than 12 months and unsecured is presented at amortized cost.

3.4 Trade and other current receivables

a) Policies applicable prior to January 1, 2020

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

Trade receivables, other receivables are stated at their invoice value less allowance for doubtful accounts.

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

b) Policies applicable from January 1, 2020

Trade receivables, other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.23.

3.5 Inventories

For business of manufacturing, trading, and providing the service test of the wire products made from copper and aluminum

Finished goods and work in process are valued at the lower of cost, using the weighted average method, or net realizable value. Such cost includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost, using the weighted average method, or net realizable value and are charged to production costs whenever consumed.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Allowance for diminution in value of inventories is set up for obsolete and slow-moving inventories (if any).

3.6 Investment in an associate

Investments in an associate are accounted for using the cost method less allowance for impairment (if any).

In the case where impairment of investment is occurred, impairment loss of investment will be charged to the statement of profit or loss and other comprehensive income.

3.7 Investment in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment (if any).

In the case where impairment of investment is occurred, impairment loss of investment will be charged to the statement of profit or loss and other comprehensive income.

3.8 Investment properties

Investments properties which held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The Company recorded the initial value of the investment properties at cost. Afterward, the Company would record the investment properties at cost less accumulated depreciation and allowance for impairment (if any).

The depreciation is calculated from cost less its residual value on the straight-line basis over the estimated useful life as follows:

Building	20 years
Warehouse	20 years
Right of use	5 years

The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land.

The Company recognize the difference between the assets' net realizable value and carrying value in the profit or loss for the period the investment properties are derecognized from the account.

Transfers investment property to property and plant is stated at carrying amount of the investment property transferred at the date of the change in use and measured in accordance with accounting policy of property and plant.

3.9 Property, plant and equipment

Land is stated at cost. Buildings, machinery and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building and equipment for business of manufacturing, trading, and providing the service test of the wire products made from copper and aluminum is calculated based on the straight-line method over the following estimated useful lives:

Land improvements	13-16 years
Building and building improvements	13-28 years
Machinery and factory equipment	10-24 years
Vehicles, furniture, fixtures and office equipment	5 years

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

In the case where impairment of building and equipment is occurred, impairment loss of building and equipment will be charged to the statement of profit or loss and other comprehensive income.

3.10 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is recognized as asset in the statement of financial position. The measurement of goodwill at initial recognition is described in Note 3.1. Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

Goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the business combination.

3.11 Intangible asset

Intangible asset represents copyrights and computer software which is stated at cost, net of accumulated amortization and allowance for impairment (if any).

Amortization is computed by the straight-line method over the asset economic useful life as the following rate:

- Copyrights amortized when printed.
- Computer software amortized by the straight-line method over the estimated useful life of 3 - 5 years

In the case where impairment of other intangible assets is occurred, impairment loss of other intangible assets will be charged to the statement of profit or loss and other comprehensive income.

3.12 Employee Benefits

Personnel expenses

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

Provident fund

The contribution paid by the Group to the provident funds of employees is recognized as an expense in the statement of profit or loss and other comprehensive income when incurred.

Employee benefit obligations

This obligation consists of benefits that all employees who are entitled to receive it upon retirement under the Labor Protection Act and the Group's employment policy, and other long-term service benefits that all employees whose employment period exceeded 5 years to 35 years are entitled to receive in accordance with the terms of the Group's employment policy.

The obligations are calculated based on the actuarial techniques called the Projected Unit Credit Method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is calculated based on the actuarial assumptions, including the employee's expected salary, turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The Group recognizes the expense for defined employee benefit as personnel expenses in the statement of profit or loss and other comprehensive income.

The actuarial gains (losses) are recognized to retained earnings through other comprehensive income in full amount in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the statement of profit or loss and other comprehensive income.

3.13 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are converted into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding at the statement of financial position date are converted into Baht at the exchange rates established by the Bank of Thailand on that date.

Gains and losses on foreign exchange rate arise from settlement and conversion are recognized as income or expense in the statement of profit or loss and other comprehensive income.

Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.14 Forward foreign exchange contracts for hedging purpose

a) Policies applicable prior to January 1, 2020

Forward foreign exchange contracts for hedging purpose to determine a specified amount of foreign currency at a future date are entered into to establish a rate at which forecasted future purchases of raw materials denominated in foreign currencies will be settled. Forward foreign exchange contracts for hedging purpose are recognized in the statements of financial position as receivables and payables. Gains and losses on contracts designated as hedges of existing assets and liabilities are recognized as an income or expense in the statement of profit or loss and other comprehensive income.

Premium or discount on foreign currency forward contracts are deferred and amortized over the lives of the related contracts as an income or expense in the statement of profit or loss and other comprehensive income.

b) Policies applicable from January 1, 2020

See Note 3.23

3.15 Forward foreign exchange contracts for other purposes

a) Policies applicable prior to January 1, 2020

Forward foreign exchange contracts for other purposes are presented as assets or liabilities in the statement of financial position based on the difference between contract amount and fair value amount at the statement of financial position date which is determined using the value quoted by counterparty bank.

Unrealized gains or losses on conversion of such foreign currency are recognized in the statement of profit or loss and other comprehensive income.

b) Policies applicable from January 1, 2020

See Note 3.23.

3.16 Deferred financing fees

Finance costs from borrowing, which occurred before or as at the contract date and before the drawdown on the loan amount, will be recognized as a deferred financing fee. The amount will be deducted and presented separately from related borrowings and will be amortized by using effective interest rate method.

3.17 Revenue and expense recognition

Revenue from sales

Revenue from sale of goods for manufacturing and trading of the wire products made from copper and aluminum is recognized in the statement of profit or loss and other comprehensive income when control of the goods is transferred to customers, generally on delivery of goods or customer accept goods.

For sale under bill-and-hold arrangements, revenue is recognized when customer obtains control of goods under the bill-and-hold arrangements under the criteria that the reason for the bill-and-hold arrangement must be substantive, goods must be identified separately as belonging to the customers and ready for physical transfer to the customers, and the subsidiary cannot have the ability to use the goods or to direct it to another customer.

Revenue from sales is measured at the amount of consideration received or expect to be received for delivered goods after deduction of discounts, excluding value added tax.

Revenue from rendering services

Revenue from manpower services are recognized as revenue over time when a customer simultaneously receives and consumes benefits from the provided services. Recognized revenues which are not billed are presented under the caption of "Accrued income" under trade and other current receivables in statement of financial position.

Revenue from other services related to petroleum and revenue from test of the wire products are recognized as revenue when services are completed. Costs incurred during the year, relating to contract activities but not complete the services, are presented under "Deferred cost of services" in statement of financial position.

Rental income

Rental income is recognized on an accrual basis using the straight-line method over the lease term.

Interest income and other income

Finance income and other income are recognized on an accrual basis.

Dividend income

Dividend income is recognized when dividend payment has been declared.

Expenses

Expenses are recognized on an accrual basis.

3.18 Finance costs

Finance costs are recognized in the period in which they are incurred, except to the extent that finance costs are capitalized as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.19 Income tax expense

Income tax expense comprises of current tax and deferred tax.

Current tax

Current tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted at the end of reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The Group reviews the carrying amount of deferred tax assets at each end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The Group measures deferred tax assets and liabilities at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting period.

The Group offsets deferred tax assets and liabilities when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Group intends to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

The Group recognizes current and deferred tax as income or expense and included in the statement of profit or loss and other comprehensive income.

The Group presents income tax expense related to profit or loss from normal activities in the statement of profit or loss and other comprehensive income except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

3.20 Earnings (loss) per share

Earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares held by outsiders. In case of increase in share capital, the weighted average number of ordinary shares is calculated based on subscription of issued and paid-up share capital period. In case of decrease in share capital, the weighted average number of ordinary shares is calculated based on share capital decrease during the registration period. In case of share combination, the number of share outstanding before share combination is adjusted for the proportionate change in number of share outstanding as if the share combination had occurred at the beginning of the earliest period presented.

Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares held by outsiders on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.21 Lease

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 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.

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 not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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.

3.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

3.23 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.

3.24 Use of management's judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

1. Impairment of investments

The carrying amounts of the investments in subsidiaries are reviewed at the end of each reporting period. The Group recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Group determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset.

2. Impairment of goodwill

Determining whether goodwill are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Cash on hands	491,303	102,253	-	-
Cash at banks - current accounts	440,261,047	3,490,464	323,605	323,941
Cash at banks - savings accounts	715,277,491	1,427,548,844	5,640,237	25,571,918
	<u>1,156,029,841</u>	<u>1,431,141,561</u>	<u>5,963,842</u>	<u>25,895,859</u>

4.2 Non-cash transactions for the year ended December 31, 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	417,688,152	405,762,226	-	35,408
Purchases of intangible assets	190,017	396,400	-	-
Purchases of copyrights	-	-	-	3,621,314
<u>Less</u> Advance payment transferred to fixed assets	(190,556,499)	(27,822,766)	-	-
Cash payments for purchases of fixed assets	(195,114,686)	(390,580,113)	-	(35,408)
Cash payments for purchases of intangible assets	(190,017)	(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>35,184,170</u>	<u>3,167,203</u>	<u>-</u>	<u>-</u>
Lease liabilities brought forward (including current portion)	56,906,611	73,905,405	-	-
<u>Add</u> Purchases of fixed assets under lease liabilities	51,011,887			
<u>Less</u> Cash payment from purchases of fixed assets under lease liabilities	(61,857,953)	(16,998,794)	-	-
Recognised on adoption of TFRS 16 (see Note 2.5.2)	126,929,120	-	-	-
Acquired from purchase of business	64,476,838	-	-	-
Effect of exchange rate changes on balances held in foreign currencies	(3,872,343)	-	-	-
Lease liabilities carried forward (including current portion)	<u>233,594,160</u>	<u>56,906,611</u>	<u>-</u>	<u>-</u>

4.3 Changes in the liabilities arising from financing activities for the year ended December 31, 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 flows Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Adjustment from adoption of TFRS 16 (see Note 2.5)	Balance as at December 31, 2020
Bank overdraft and short-term borrowings from a financial institution	1,706,300,588	2,937,669,708	(115,435,313)	6,576,416,921	(3,939,856,082)	-	(57,859,720) ⁽¹⁾⁽²⁾	-	7,107,236,102
Current portion of long-term borrowings from financial institution	481,271,376	194,807,640	-	-	-	547,963,571	(237,199,774) ⁽¹⁾⁽²⁾	-	986,842,813
Current portion of lease liabilities	17,771,652	15,540,235	(933,314)	-	-	8,274,024	-	33,740,071	74,392,668
Short-term borrowings from related companies	-	-	-	429,023,992	(401,023,992)	-	-	-	38,000,000
Short-term borrowings from related persons	-	504,205,160	-	10,000,000	(480,205,160)	-	-	-	24,000,000
Other short-term borrowings	822,000,000	-	-	216,000,000	(445,835,366)	-	-	-	592,164,634
Current portion of other long-term borrowings	185,000,000	-	-	-	-	(115,000,000)	-	-	70,000,000
Long-term borrowings from financial institutions	1,588,464,702	501,983,735	-	1,969,109,000	(628,917,686)	(547,963,571)	116,642,461 ⁽¹⁾⁽²⁾	-	2,999,318,641
Long-term borrowing from a related company	5,695,649	-	-	-	-	-	-	-	5,695,649
Lease liabilities	39,134,959	48,936,603	(2,939,029)	-	(61,857,953)	(8,274,024)	51,011,887 ⁽³⁾	93,189,049	159,201,492
Other long-term borrowings	160,000,000	-	-	215,000,000	(185,000,000)	115,000,000	-	-	305,000,000

(1) Changes were arisen from deferred financing fees.

(2) Changes were arisen from exchange rate.

(3) Change were arisen from increase in lease liabilities during the year

	CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2019	Acquired from Business Acquisition	Financing Cash flows Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at December 31, 2019
Bank overdraft and short-term borrowings from a financial institution	471,299,572	167,770,360	1,235,001,016	(151,512,765)	(16,828,848)	571,253 ⁽¹⁾	1,706,300,588
Current portion of long-term borrowings from financial institution	2,616,863,503	39,700,000	-	-	(2,175,292,127)	-	481,271,376
Current portion of lease liabilities	16,998,794	-	-	-	772,858	-	17,771,652
Short-term borrowings from related companies	299,331,247	-	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	260,000,000	(135,400,000)	-	-	822,000,000
Current portion of other long-term borrowings	30,000,000	-	-	-	155,000,000	-	185,000,000
Long-term borrowings from financial institutions	475,331,970	223,400,000	68,000,000	(1,375,341,000)	2,192,120,975	4,952,757 ⁽¹⁾	1,588,464,702
Long-term borrowing from a related company	5,695,649	-	-	-	-	-	5,695,649
Lease liabilities	56,906,611	-	-	(16,998,794)	(772,858)	-	39,134,959
Other long-term borrowings	185,000,000	-	160,000,000	(30,000,000)	(155,000,000)	-	160,000,000

(1) Changes were arisen from deferred financing fees.

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
	Balance as at January 1, 2020	Financing cash flows Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at December 31, 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	71,000,000	(70,000,000)	-	-	247,807,041
Other short-term borrowings	130,000,000	94,000,000	-	-	-	224,000,000
Long-term borrowings from financial institutions	23,978,847	-	(15,000,000)	-	-	8,978,847
Long-term borrowings from a related company	1,000,000,000	-	-	-	-	1,000,000,000

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
	Balance as at January 1, 2019	Financing cash flows Received	Financing cash flows (Repaid)	Reclassified non-cash changes	Other non-cash changes	Balance as at December 31, 2019
Bank overdraft and short-term borrowings from a financial institution	148,371,476	66,947,465	(199,393,823)	(16,828,847)	903,729 ⁽¹⁾	-
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	(1,120,963,226)	-	1,364,770,267 ⁽²⁾	246,807,041
Other short-term borrowings	26,000,000	130,000,000	(17,900,000)	-	(8,100,000) ⁽³⁾	130,000,000
Long-term borrowings from financial institutions	241,400,000	-	(246,350,000)	28,928,847	-	23,978,847
Long-term borrowings from a related company	-	1,000,000,000	-	-	-	1,000,000,000
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 restructuring plan.

4.4 Changes in the assets arising from investing activities for the year ended December 31, are as follows :

	CONSOLIDATED FINANCIAL STATEMENTS				Unit : Baht
	Balance as at January 1, 2020	Acquired from acquisition In 2020	Investing cash flows (Received)	Investing cash flows Repaid	Balance as at December 31, 2020
Short-term loans to related companies	30,000,000	86,830,725	-	92,089,200	208,919,925
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 December 31, 2019
Short-term loans to a related company	-	-	30,000,000	-	30,000,000
Long-term loans to related companies	1,133,420,000	(1,103,050,809)	33,000,000	-	63,369,191

	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 December 31, 2019
Long-term loans to related companies	-	-	9,000,000	(9,000,000) ⁽¹⁾	-

(1) Transferred to SMM Plus Company Limited, which used to be a subsidiary, according to the business restructuring plan

4.5 Other current financial asset is deposit at a Bank with maturity term over 3 months up to 12 months with interest rate at 3.6% per annum, which is stated at amortized cost.

5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade receivables - related companies	23,893,266	13,992,066	-	-
Trade receivables - other companies	4,988,748,444	3,134,074,937	-	-
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(469,588,017)	(378,863,277)	-	-
	<u>4,543,053,693</u>	<u>2,769,203,726</u>	<u>-</u>	<u>-</u>
Other current receivables - related companies	7,943,931	11,069,662	18,741,000	-
Other current receivables - the Revenue Department	258,847,143	74,917,436	4,537,216	4,536,671
Other current receivables - other companies	142,603,206	20,266,374	-	-
Interest receivables - related companies	268,359,888	250,047,633	-	-
Interest receivables - other companies	287,651	441,278	-	-
Prepaid expenses	189,544,537	63,983,056	43,332,911	6,875,985
Advance payments for purchase of inventories - other companies	17,917,520	-	-	-
Advance payments	19,119,381	8,826,432	-	-
Accrued income ⁽¹⁾	587,347,124	265,837,445	-	-
Other	6,728,544	-	-	-
	<u>1,498,698,925</u>	<u>695,389,316</u>	<u>66,611,127</u>	<u>11,412,656</u>
	<u>6,041,752,618</u>	<u>3,464,593,042</u>	<u>66,611,127</u>	<u>11,412,656</u>

(1) During the years ended December 31, 2020 and 2019, the accrued income was classified to trade receivables in amount of Baht 265.84 million and Baht 190.43 million, respectively, in the consolidated statements of financial position.

As at December 31, 2020 and 2019, a subsidiary pledged trade receivable in amount of Baht 101.27 million and Baht 41.02 million as collateral for short-term borrowing from a financial institution (see Note 18).

Trade receivables as at December 31, classified by aging were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade receivables - related companies				
Current	-	1,543,252	-	-
Overdue				
Less than or equal to 3 months	16,498,438	3,773,703	-	-
Over 3 months up to 6 months	1,926,672	7,733,207	-	-
Over 6 months up to 12 months	4,130,744	267,143	-	-
Over 12 months	1,337,412	674,761	-	-
Total	<u>23,893,266</u>	<u>13,992,066</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(11,875,858)	-	-	-
	<u>12,017,408</u>	<u>13,992,066</u>	<u>-</u>	<u>-</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade receivables - other companies				
Current	4,215,381,117	2,287,714,917	-	-
Overdue				
Less than or equal to 3 months	365,073,277	372,697,447	-	-
Over 3 months up to 6 months	23,130,027	94,403,821	-	-
Over 6 months up to 12 months	14,506,999	6,843,361	-	-
Over 12 months	370,657,024	372,415,391	-	-
Total	4,988,748,444	3,134,074,937		
<u>Less</u> Allowance for expected credit losses			-	-
(2019 : Allowance for doubtful accounts)	(457,712,159)	(378,863,277)	-	-
	<u>4,531,036,285</u>	<u>2,755,211,660</u>	<u>-</u>	<u>-</u>
Total trade receivable	<u>4,543,053,693</u>	<u>2,769,203,726</u>	<u>-</u>	<u>-</u>

The average credit term of trade receivables related companies and other companies were 30 - 150 days.

The allowance for expected credit losses for trade receivables was determined as follow:

As at December 31, 2020	Average rate on expected credit loss	Trade Receivable (Baht)	Allowance for expected credit losses (Baht)
Current	0.90%	4,215,381,117	32,536,264
Less than or equal to 3 months	12.37%	381,571,715	39,250,693
Over 3 months up to 6 months	25.85%	25,056,699	5,771,987
Over 6 months up to 12 months	98.02%	18,637,743	18,532,855
Over 12 months	100.00%	371,994,436	373,496,218
Total		<u>5,012,641,710</u>	<u>469,588,017</u>

Allowance for expected credit losses can be reconciled as follows:

	Unit : Baht
As at	
December 31,	
2020	
As at 1 January - as previously reported	378,863,277
Impact from first-time adoption of TFRS 9 (see Note 2.5.1)	100,994,424
As at January 1, as restated	479,857,701
Acquired from business acquisition	4,495,147
Decrease during the period recognised in profit or loss	(14,764,831)
As at 31 December	<u>469,588,017</u>

6. DEFERRED COST OF SERVICES

Deferred cost of services as at December 31, consists of the following (separate financial statement : Nil):

	Unit : Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
Cost of supplies for service	864,566	433,123
Cost of employee expense	6,544,737	6,792,475
	<u>7,409,303</u>	<u>7,225,598</u>

7. SHORT-TERM LOAN TO RELATED COMPANIES

Short-term loans to related companies as at December 31 with due for repayment at call, consist of the following (separate financial statements : Nil):

	Unit : Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Promissory note	1.37 - 6.50	None	<u>208,919,925</u>	1.37	None	<u>30,000,000</u>
			<u>208,919,925</u>			<u>30,000,000</u>

8. INVENTORIES

Inventories as at December 31, consist of the following: (separate financial statement : Nil)

	Unit : Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Raw materials	1,356,594,434	1,152,873,301
Work in process	2,248,439,499	842,197,419
Finished goods	3,346,916,940	1,496,456,224
Spare parts and factory supplies	119,317,899	92,968,938
Finished goods in transit	38,298,666	18,132,470
Materials and spare parts in transit	1,531,833,022	92,612,892
	8,641,400,460	3,695,241,244
<u>Less</u> Allowance for losses on slow-moving inventories	(23,397,418)	(23,824,374)
	8,618,003,042	3,671,416,870

Costs of inventories recorded as expenses and included in costs of sales for the years ended December 31, consists as follows: (separate financial statement : Nil)

	Unit: Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Cost of sales	12,484,575,127	8,944,617,726
Estimated cost of returned books	-	(135,152)
Reversal of allowance for loss on slow-moving inventories	(426,956)	(10,839,108)
Total	12,484,148,171	8,933,643,466

9. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of the following:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Refundable value-added tax	48,882,132	5,568,540	5,220,297	1,378,954
Undue value-added tax	42,683,394	93,821,672	61,987	137,751
Prepaid withholding tax	50,036	-	-	-
Others	5,327,121	1,378,584	-	-
	96,942,683	100,768,796	5,282,284	1,516,705

10. INVESTMENT IN AN ASSOCIATE

Investment in an associate as at December 31, and dividend received for the years consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS												Unit : Million Baht
Company's name	Nature of business	Country of incorporation	% of Ownership interest		Paid-up capital		Investment in cost method		Investment in equity method		Dividend received for the years ended	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Thai Copper Rod Company Limited	Tolling of copper rod	Thailand	22.31	22.31	100.00	100.00	22.31	22.31	63.67	64.70	2.50	3.75
							22.31	22.31	63.37	64.70	2.50	3.75

The summarized financial information of an associate and the business operating for the years then ended, were as follows:

											Unit : Baht
	Reporting date	% of Ownership interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit and other comprehensive income
2020											
Associate											
Thai Copper Rod Company Limited	December 31,	22.31	<u>127,341,752</u>	<u>210,183,746</u>	<u>337,525,498</u>	<u>7,026,826</u>	<u>75,535,902</u>	<u>82,562,728</u>	<u>110,459,834</u>	<u>104,584,517</u>	<u>5,875,317</u>
2019											
Associate											
Thai Copper Rod Company Limited	December 31,	22.31	132,898,899	214,173,696	347,072,595	14,854,306	73,130,836	87,985,142	147,104,793	134,324,540	12,780,253

Movements in investment in an associate for the years ended December 31, consist of the following:

	Unit: Baht	
	Consolidated	
	financial statements	
	2020	2019
As at January 1,	64,695,636	65,200,396
Share of profit from investment in an associate	1,479,036	3,245,240
Dividend received from an associate	(2,500,000)	(3,750,000)
As at December 31,	63,674,672	64,695,636

11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries as at December 31, and dividend received from subsidiaries consist 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 the years ended	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	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 and telecommunication applications and and trading of any other materials	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	-	-

Investment in subsidiaries as at December 31 consist of the following: (as at December 31, 2019 : Nil)

Company's name	Nature of business	Country of Incorporation	Authorized share Capital and paid-up	% of Investment 2020 Percentage	At cost 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 electric wires, cables 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 shares 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.

12. LONG-TERM LOANS TO RELATED COMPANIES

Long-term loan to related companies as at December 31 with due for repayment at call, consist of the following (separate financial statements : Nil):

CONSOLIDATED FINANCIAL STATEMENTS						Unit : Baht
	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Promissory note	5.50	None	43,369,191	5.50	None	63,369,191
			<u>43,369,191</u>			<u>63,369,191</u>

13. INVESTMENT PROPERTIES

Investment properties as at December 31, consists of the following :

CONSOLIDATED FINANCIAL STATEMENTS							Unit: Baht
As at December 31, 2020	Balances as at January 1, 2020	Adjustment from adoption of TFRS 16 (see Note 2.5)	Additions	Disposals	Transfers in / (out)	Balances as at December 31, 2020	
Cost							
Land	53,524,968	-	-	-	-	53,524,968	
Land improvement	23,394,460	-	-	-	-	23,394,460	
Building	15,855,631	-	-	-	-	15,855,631	
Warehouse	130,574,425	-	-	-	-	130,574,425	
Right of use	-	92,221,343	-	-	-	92,221,343	
Total cost	<u>223,349,484</u>	<u>92,221,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,570,827</u>	
Accumulated depreciation							
Building	(4,497,795)	-	(792,781)	-	-	(5,290,576)	
Warehouse	(46,422,313)	-	(6,513,022)	-	-	(52,935,335)	
Right of use	-	-	(19,978,384)	-	-	(19,978,384)	
Total accumulated depreciation	<u>(50,920,108)</u>	<u>-</u>	<u>(27,284,187)</u>	<u>-</u>	<u>-</u>	<u>(78,204,295)</u>	
Investment properties	<u>172,429,376</u>					<u>237,366,532</u>	

CONSOLIDATED FINANCIAL STATEMENTS					Unit: Baht
As at December 31, 2019	Balances as at January 1, 2019	Additions	Disposals	Transfers in / (out)	Balances as at December 31, 2019
Cost					
Land	53,524,968	-	-	-	53,524,968
Land improvement	23,394,460	-	-	-	23,394,460
Building	15,855,631	-	-	-	15,855,631
Warehouse	130,574,425	-	-	-	130,574,425
Total cost	223,349,484	-	-	-	223,349,484
Accumulated depreciation					
Building	(3,705,014)	(792,781)	-	-	(4,497,795)
Warehouse	(39,909,290)	(6,513,023)	-	-	(46,422,313)
Total accumulated depreciation	(43,614,304)	(7,305,804)	-	-	(50,920,108)
Investment properties	179,735,180				172,429,376
Depreciation of the Group for the years ended December 31,					
2020				Baht	27,284,187
2019				Baht	7,305,804

SEPARATE FINANCIAL STATEMENTS					Unit: Baht
As at December 31, 2019	Balances as at January 1, 2019	Additions	Disposals	Transfers to a subsidiary	Balances as at December 31, 2019
Cost					
Land	1,703,316	-	-	(1,703,316)	-
Building	6,745,037	-	-	(6,745,037)	-
Total cost	8,448,353	-	-	(8,448,353)	-
Accumulated depreciation					
Building	(6,734,112)	(1,364)	-	(6,735,476)	-
Total accumulated depreciation	(6,734,112)	(1,364)	-	(6,735,476)	-
Investment properties	1,714,241				-
Depreciation of the Company for the year ended December 31,					
2019				Baht	1,364

The Company mortgages its existing lands together with other buildings thereof and/or will be constructed in the future as collateral for credit facility for bank overdraft, credit facility for promissory note, credit facility for letter of guarantee (see Note 39.2) credit facility for short-term and long-term borrowings from financial institutions (see Notes 18 and 23). Carrying value of assets under mortgage as at December 31, 2020 and 2019 are Baht 237.37 million and 172.43 million, respectively.

Items recognized in the statements of profit or loss and other comprehensive income arising from investment properties for the years ended December 31, 2020 and 2019 consist of following (separate financial statements : Nil)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
Rental income from investment properties	42,822,954	48,701,263
Direct operating expenses arising from investment properties	28,505,343	34,401,061

As at December 31, 2020 and 2019, the fair value of the investment properties (including leasehold rights of investment properties) were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	Book value	Fair value	Book value	Fair value
As at December 31, 2020	165.12	320.45	-	-
As at December 31, 2019	172.43	320.45	-	-

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS							Unit : Baht
As at December 31, 2020	Balances as at January 1, 2020	Adjustment from adoption of TFRS 16 (see Note 2.5)	Acquired from purchase of business	Additions	Disposals	Transfers in / (out)	Effect of exchange rate on balances held in foreign currencies	Balances as at December 31, 2020
Cost								
Land	627,042,945	-	72,000,000	-	-	-	-	699,042,945
Land improvements	72,969,883	-	-	-	-	-	-	72,969,883
Building and building improvements	813,050,459	-	649,220,623	847,451	-	704,640	(28,338,651)	1,435,484,522
Warehouse	54,623,434	-	-	-	-	-	-	54,623,434
Machinery and factory equipment	4,362,488,923	(93,923,110)	1,584,772,724	45,163,257	(3,098,304)	35,066,968	(86,424,726)	5,844,045,732
Vehicles	95,355,923	-	38,140,399	47,050	(644,538)	180,000	(1,905,442)	131,173,392
Furniture, fixtures and office equipment	141,849,698	-	15,409,361	5,584,958	(174,027)	2,273,645	(759,627)	164,184,008
Others	-	-	21,481,749	7,266,127	(381,183)	-	(1,290,148)	27,076,545
Assets under installation and construction	540,339,480	-	163,404,480	358,779,309	(10,414,559)	(38,225,253)	(5,964,656)	1,007,918,801
Total cost	6,707,720,745	(93,923,110)	2,544,429,336	417,688,152	(14,712,611)	-	(124,683,250)	9,436,519,262
Accumulated depreciation								
Land improvements	(47,481,545)	-	-	(2,829,095)	-	-	-	(50,310,640)
Building and building improvements	(505,835,203)	-	(180,369,724)	(45,410,450)	-	-	8,569,766	(723,045,611)
Warehouse	(15,231,968)	-	-	(3,643,383)	-	-	-	(18,875,351)
Machinery and factory equipment	(3,322,470,926)	50,414,627	(705,527,879)	(218,815,829)	2,253,307	-	40,089,156	(4,154,057,544)
Vehicles	(82,906,716)	-	(27,720,288)	(5,459,672)	644,537	-	1,395,848	(114,046,291)
Furniture, fixtures and office equipment	(130,217,308)	-	(11,870,301)	(9,621,450)	126,879	-	611,018	(150,971,162)
Others	-	-	(12,067,529)	(1,631,190)	305,899	-	724,750	(12,668,070)
Total accumulated depreciation	(4,104,143,666)	50,414,627	(937,555,721)	(287,411,069)	3,330,622	-	51,390,538	(5,223,974,669)
Property, plant and equipment	2,603,577,079							4,212,544,593

CONSOLIDATED FINANCIAL STATEMENTS					Unit : Baht
As at December 31, 2019	Balances as at January 1, 2019	Additions	Disposals	Transfers in / (out)	Balances as at December 31, 2019
Cost					
Land	549,249,536	77,793,409	-	-	627,042,945
Land improvements	70,732,758	-	-	2,237,125	72,969,883
Building and building improvements	734,027,251	-	(9,552,450)	88,575,658	813,050,459
Warehouse	53,836,997	786,437	-	-	54,623,434
Machinery and factory equipment	4,336,920,927	3,232,650	(10,597,859)	32,933,205	4,362,488,923
Vehicles	96,304,923	-	(949,000)	-	95,355,923
Furniture, fixtures and office equipment	133,466,815	1,632,858	(420,770)	7,170,795	141,849,698
Assets under installation and construction	348,939,391	322,316,872	-	(130,916,783)	540,339,480
Total cost	6,323,478,598	405,762,226	(21,520,079)	-	6,707,720,745
Accumulated depreciation					
Land improvements	(44,813,557)	(2,667,988)	-	-	(47,481,545)
Building and building improvements	(489,123,804)	(22,007,092)	5,295,693	-	(505,835,203)
Warehouse	(10,930,149)	(4,301,819)	-	-	(15,231,968)
Machinery and factory equipment	(3,189,420,195)	(139,549,791)	6,499,060	-	(3,322,470,926)
Vehicles	(80,350,572)	(3,505,143)	948,999	-	(82,906,716)
Furniture, fixtures and office equipment	(124,214,608)	(6,423,400)	420,700	-	(130,217,308)
Total accumulated depreciation	(3,938,852,885)	(178,455,233)	13,164,452	-	(4,104,143,666)
Property, plant and equipment	<u>2,384,625,713</u>				<u>2,603,577,079</u>
Depreciation of the Group for the years ended December 31,					
2020				Baht	<u>287,411,069</u>
2019				Baht	<u>178,455,233</u>

As at December 31, 2020 and 2019, the land, plant and equipment of a subsidiary with net carrying value of Baht 559.85 million and Baht 601.82 million, respectively, were pledged as collateral for short-term and long-term borrowings from financial institutions (see Notes 18 and 23) and letters of credit, trust receipt and telegraphic transfer facility (see Note 39.3).

As at December 31, 2020 and 2019, property, plant and equipment on the consolidated financial statements included the excess of acquisition costs amounting to Baht 984.07 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 (see Note 11). 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 (see Note 27).

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 carrying values are Baht 43.52 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 December 31, 2020 and 2019, the Group had the fully depreciated building and equipment, but still in use, at the original costs amounting to Baht 3,824.61 million and Baht 3,345.08 million, respectively.

SEPARATE FINANCIAL STATEMENTS					Unit: Baht
As at December 31, 2019	Balances as at January 1, 2019	Additions	Disposals	Transfers to a subsidiary	Balances as at December 31, 2019
Cost					
Land	52,970,546	-	-	(52,970,546)	-
Building and building improvements	122,029,575	-	-	(122,029,575)	-
Machinery and equipment	62,244,396	-	(1,054,301)	(61,190,095)	-
Vehicles	24,232,769	-	(856,000)	(23,376,769)	-
Furniture, fixtures and office equipment	36,995,925	35,408	(13,588,218)	(23,443,115)	-
Total cost	298,473,211	35,408	(15,498,519)	(283,010,100)	-
Accumulated depreciation					
Building and building improvements	(118,416,822)	(389,460)	-	118,806,282	-
Machinery and equipment	(42,440,328)	(2,962,871)	967,919	44,435,280	-
Vehicles	(22,454,248)	(177,016)	855,998	21,775,266	-
Furniture, fixtures and office equipment	(34,146,721)	(395,428)	13,045,628	21,496,521	-
Total accumulated depreciation	(217,458,119)	(3,924,775)	14,869,545	206,513,349	-
Property, plant and equipment	81,015,092				-
Depreciation of the Company for the year ended December 31,					
2019				Baht	3,924,775

On August 15, 2019, the Company has transferred all of the Company's property, plant and equipment to SMM Plus Company Limited, which used to be a subsidiary, according to business restructuring plan.

15. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, consist of the following (separate financial statements : Nil):

CONSOLIDATED FINANCIAL STATEMENTS							Unit : Baht
As at December 31, 2020	Balances as at January 1, 2020	Adjustment from adoption of TFRS 16 (see Note 2.5)	Acquired from purchase of business	Additions	Disposals	Effect of exchange rate on balances held in foreign currencies	Balances as at December 31, 2020
Cost							
Land and land improvements	-	-	167,746,580	-	-	(10,074,505)	157,672,075
Building and building improvements	-	33,304,720	24,607,968	366,896	-	(1,491,062)	56,788,522
Machinery and factory equipment	-	93,923,110	-	50,644,991	-	-	144,568,101
Vehicles	-	4,075,000	-	-	-	-	4,075,000
Total cost	-	131,302,830	192,354,548	51,011,887	-	(11,565,567)	363,103,698
Accumulated depreciation							
Land and land improvements	-	-	(1,169,830)	(3,444,760)	-	193,804	(4,420,786)
Building and building improvements	-	(2,562,626)	(827,382)	(11,311,735)	-	140,569	(14,561,174)
Machinery and factory equipment	-	(50,414,627)	-	(17,260,116)	-	-	(67,674,743)
Vehicles	-	(109,317)	-	(3,071,611)	-	-	(3,180,928)
Total accumulated depreciation	-	(53,086,570)	(1,997,212)	(35,088,222)	-	334,373	(89,837,631)
Total right-of-use assets	-						273,266,067

Statement of profit or loss included following transactions related to leases (separate financial statements : Nil)

	Unit :Baht 2020
Depreciation on right-of-use assets	35,088,222
Interest expense on lease liabilities	6,757,232
Expense relating to short-term leases	4,579,234
Expense relating to leases of low value assets	740,400
Income from sub-leasing right-of-use assets	22,717,028

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 2.5.2.

As at December 31, 2020, 2 subsidiaries pledged right-of-use asset on land in amount of Baht 153.25 million as collateral for short-term borrowing from a financial institution (see Note 18).

For the year ended December 31, 2020, the total cash outflow for leases amount to Baht 61.86 million.

16. COPYRIGHTS

Copyrights as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Copyrights at beginning year	-	-	-	9,114,505
Acquired from purchase of business	1,049,477	-	-	-
Exchange differences on translation	(63,029)	-	-	-
<u>Add</u> Increase during the year	-	-	-	3,621,314
<u>Less</u> Recognize as expenses during the year	(243,437)	-	-	(12,254,987)
Transfer out to work in process	-	-	-	(480,832)
Copyrights at ending year	<u>743,011</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. INTANGIBLE ASSET

Intangible asset as at December 31, consists of the following (separate financial statements : Nil):

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2020	Balances as at January 1, 2020	Acquired from purchase of business	Additions	Transfers	Effect of exchange rate on balances held in foreign currencies	Balance as at December 31, 2020
Cost						
Computer software	71,766,243	2,987,623	190,017	-	(176,264)	74,767,619
Total cost	71,766,243	2,987,623	190,017	-	(176,264)	74,767,619
Accumulated amortization						
Computer software	(58,101,676)	(1,174,778)	(7,407,010)	-	67,658	(66,615,806)
Total accumulated amortization	(58,101,676)	(1,174,778)	(7,407,010)	-	67,658	(66,615,806)
Intangible asset	<u>13,664,567</u>					<u>8,151,813</u>

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2019	Balances as at January 1, 2019	Additions	Transfers	Balance as at December 31, 2019
Cost				
Computer software	71,369,843	396,400	-	71,766,243
Total cost	71,369,843	396,400	-	71,766,243
Accumulated amortization				
Computer software	(51,095,304)	(7,006,372)	-	(58,101,676)
Total accumulated amortization	(51,095,304)	(7,006,372)	-	(58,101,676)
Intangible asset	<u>20,274,539</u>			<u>13,664,567</u>

Amortization of the Group for the years ended December 31,

2020	Baht	<u>7,407,010</u>
2019	Baht	<u>7,006,372</u>

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

Bank overdraft and short-term borrowings from a financial institution as at December 31, consist of the following: (separate financial statements : Nil)

CONSOLIDATED FINANCIAL STATEMENTS					
	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2020					
Promissory note	200,000,000	February 16, 2021 (Renewed to May 17, 2021)	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 (Renewed to April 23, 2021)	4.25	None	No
Promissory note	160,000,000	March 8, 2021	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	494,614,529	March 23, 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 Note 38.4) 3. Guaranteed by a director of the Company	Yes
Promissory note	1,955,527,784	March 23, 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 Note 38.4) 3. Guaranteed by a director of the Company	Yes
Promissory note	22,930,330	March 23, 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 Note 38.4) 3. Guaranteed by a director of the Company	Yes
Bridge loan	1,630,354,174	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 38.4) 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 December 31, 2020 (continued)					
Promissory note	989,229,057	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 Note 38.4) 3.Guaranteed by a director of the Company	Yes
Promissory note	100,000,000	March 22, 2021	3.47 - 4.25	Subsidiary's land title deed	No
Promissory note	68,000,000	March 22, 2021	4.47	Subsidiary's land title deed	No
Promissory note	70,000,000	March 22, 2021	4.70	Subsidiary's land title deed	No
Promissory note	30,000,000	March 22, 2021	4.70	Subsidiary's land title deed	No
Short-term borrowing	91,158,082*	January 9, 2021	MLR -1.75	A trade receivable of a subsidiary (see Note 5)	No
Promissory note	23,782,365*	January 19, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	1,861,039*	January 20, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	1,529,599*	January 21, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	18,606,546*	January 22, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	7,734,866*	January 29, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	5,755,171*	February 4, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No
Promissory note	4,137,614*	February 5, 2021	5.50	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and machinery (see Note 15)	No

CONSOLIDATED FINANCIAL STATEMENTS					
	Short-term borrowing Baht	Due for repayment	Interest rate % per annum	Guaranteed / Collateral	Conditions of financial ratio
As at December 31, 2020 (continued)					
Short-term borrowing	866,993,194	May 23, 2021	3.19	1. Cash at bank - time deposit 2. The subsidiary's right-of-use asset on land and structure on machinery (see Note 15)	No
Promissory note	100,000,000*	February 9, 2021	3.55	None	No
Bank overdraft	25,021,752	-	-	None	No
	<u>7,107,236,102</u>				

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					
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
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.The mortgage of a subsidiary's land, structures and machinery (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	A trade receivable of a subsidiary (see Note 5)	No
	<u>1,706,300,588</u>				

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

As at December 31, 2020 and 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.

19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade payables - related companies	47,747,400	78,131,995	-	-
Trade payables - other companies	9,554,592,026	4,322,700,656	-	572
Other current payables - related person and companies	21,925,130	10,284,277	-	-
Other current payables - the Revenue Department	8,425,275	5,309,362	441,000	-
Other current payables - other companies	70,896,613	56,018,206	339,210	243,908
Interest payables - related person and companies	1,365,311	-	66,632,301	7,118,308
Interest payables - other companies	59,842,437	62,795,373	-	-
Accrued expenses	188,940,954	181,113,704	6,922,160	16,637,497
Unearned revenue ⁽¹⁾	124,864,305	68,835,501	-	216,088
Deposits	165,349,315	-	-	-
Others	3,650,867	2,346,674	-	-
	<u>10,247,599,633</u>	<u>4,787,535,748</u>	<u>74,334,671</u>	<u>24,216,373</u>

(1) Revenue recognized in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020 and 2019 related to brought forward of unearned revenue amount of Baht 68.84 million and Baht 47.73 million, respectively (separate financial statements : Baht 0.22 million and Baht 27.26 million, respectively). There was no revenue recognized during the years that related to performance obligations that were satisfied in the prior years.

The group expects that the unearned revenue balance as at December 31, 2020 and 2019 will be fully recognized as revenue during the years ending December 31, 2020 and 2019.

20. SHORT-TERM BORROWINGS FROM RELATED COMPANIES

Short-term borrowings from related companies as at December 31, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Promissory notes	4.72 - 5.25	None	<u>28,000,000</u>	-	-	<u>-</u>
			<u>28,000,000</u>			<u>-</u>

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

SEPARATE FINANCIAL STATEMENTS						
	2020			2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Promissory notes	MLR -1.00	None	231,807,041	MLR -1.00	None	246,807,041
Promissory notes	4.50 - 5.25	None	16,000,000	-	-	-
			<u>247,807,041</u>			<u>246,807,041</u>

As at December 31, 2020 and 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 241.81 million.

21. SHORT-TERM BORROWINGS FROM A RELATED PERSON

Short-term borrowings from a related person as at December 31, consist of the following (separate financial statements : Nil):

CONSOLIDATED FINANCIAL STATEMENTS						
	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Promissory note	5.60	None	34,000,000	-	-	-
			<u>34,000,000</u>			<u>-</u>

As at December 31, 2020, the short-term borrowings from a related person were due for repayment at call.

22. OTHER SHORT-TERM BORROWINGS

Other short-term borrowings as at December 31, consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Bills of exchanges	5.80 - 6.50	None	424,039,632	4.60 - 6.50	None	570,000,000
Unsubordinated bond	6.00 - 6.75	None	168,125,002	6.00 - 6.50	None	252,000,000
			<u>592,164,634</u>			<u>822,000,000</u>

SEPARATE FINANCIAL STATEMENTS

	2020			2019		
	Interest rate % per annum	Collateral	Baht	Interest rate % per annum	Collateral	Baht
Bills of exchanges	5.80	None	224,000,000	5.80	None	130,000,000
			<u>224,000,000</u>			<u>130,000,000</u>

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

23. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, 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 December 31, 2020						
Long-term borrowings	280,000,000	138,971,975	Quarterly	MLR -1.25	None	No
<u>Less</u> Current portion		<u>(55,371,102)</u>				
		<u>83,600,873</u>				
Long-term borrowings	2,400,000,000	297,905,172	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		<u>(169,891,759)</u>				
		<u>128,013,413</u>				
Long-term borrowings	1,050,000,000	936,600,000	Quarterly	MLR -1.25	1. The land, structures and machinery of a subsidiary (see Note 14)	Yes
<u>Less</u> Current portion		<u>(50,400,000)</u>				
		<u>886,200,000</u>				
Long-term borrowings	134,600,000	80,760,000	Quarterly	3.50	None	Yes
<u>Less</u> Current portion		<u>(80,760,000)</u>	*			
		<u>-</u>				
Long-term borrowings	160,000,000	63,988,000	Quarterly	MLR -1.25	1. The mortgage of a subsidiary's land (see Note 14)	No
<u>Less</u> Current portion		<u>(16,048,000)</u>				
		<u>47,940,000</u>				
Long-term borrowings	1,428,105,000	1,168,652,039	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		<u>(257,395,651)</u>			2. The Company and the 2 subsidiaries (see Note 38.4)	
		<u>911,256,388</u>			3. Guaranteed by a director of the Company	
Long-term borrowings	75,500,000	61,560,970	Quarterly	MLR -1.50	None	Yes
<u>Less</u> Current portion		<u>(13,644,120)</u>				
		<u>47,916,850</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, 2020 (continued)						
Long-term borrowings	326,812,000	326,812,000	Quarterly	MLR -1.25	None	No
<u>Less</u> Current portion		(65,362,400)				
		<u>261,449,600</u>				
Long-term borrowings	45,230,000	23,978,847	Monthly	MLR -1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>8,978,847</u>				
Long-term borrowings	300,000,000	138,195,000	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 11)	
		<u>69,015,000</u>				
Long-term borrowings	232,400,000	218,400,000	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 11)	
		<u>194,400,000</u>				
Long-term borrowings	32,500,000	10,816,000	Quarterly	3.50	None	Yes
<u>Less</u> Current portion		(10,816,000)				
		<u>-</u>				
Long-term borrowings	600,000,000	443,797,670	Quarterly	5.63	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
<u>Less</u> Current portion		(83,250,000)				
		<u>360,547,670</u>				
Long-term borrowings	300,000,000	75,723,781	Quarterly	5.50	1. The mortgage of a subsidiary's land, structures and machinery (see Note 14)	Yes
<u>Less</u> Current portion		(75,723,781)				
		<u>-</u>				
Total current portion due within 1 year		<u>986,842,813</u>				
Total non-current portion		<u>2,999,318,641</u>				

* As at December 31, 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 December 30, 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 15)	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>				
Long-term borrowings	300,000,000	207,375,000	Monthly	MLR -1.00	1. A subsidiary's title deed and building thereon (see Note 13 and 14)	No
<u>Less</u> Current portion		(70,080,000)			2. Guaranteed by a subsidiary's major shareholder	
		<u>137,295,000</u>				
Total current portion due within 1 year		<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 December 31, 2020						
Long-term borrowings	45,230,000	23,978,847	Monthly	MLR -1.00	None	No
<u>Less</u> Current portion		(15,000,000)				
		<u>8,978,847</u>				
Total current portion		<u>15,000,000</u>				
Total non-current portion		<u>8,978,847</u>				
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>				

24. LONG-TERM BORROWINGS FROM RELATED COMPANIES

Long-term borrowings from related companies as at December 31, consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						
	2020			2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Borrowings	MLR	None	<u>5,695,649</u>	MLR	None	<u>5,695,649</u>
			<u>5,695,649</u>			<u>5,695,649</u>

As at December 31, 2020 and 2019, the long-term borrowings from related companies were due for repayment at call.

SEPARATE FINANCIAL STATEMENTS						
	2020			December 31, 2019		
	Interest rate % per annum	Collateral	Amount Baht	Interest rate % per annum	Collateral	Amount Baht
Promissory note	5.50	None	<u>1,000,000,000</u>	5.50	None	<u>1,000,000,000</u>
			<u>1,000,000,000</u>			<u>1,000,000,000</u>

As at December 31, 2019, such borrowings from related company 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.

25. LEASE LIABILITIES

Lease liabilities as at December 31, 2020 were as follows: (separate financial statements : Nil)

	Unit : Baht
	CONSOLIDATED
	FINANCIAL STATEMENTS
Maturity analysis:	
Year 1	78,871,169
Year 2	65,138,248
Year 3	33,034,270
Year 4	24,326,981
Year 5	26,270,851
Onwards	48,420,809
	<u>276,062,328</u>
<u>Less</u> unearned interest	<u>(42,468,168)</u>
Total	<u>233,594,160</u>
 Classified as:	
Current	74,392,668
Non-current	159,201,492
Total	<u>233,594,160</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Finance leases as at December 31, 2019 (separate financial statement : Nil)

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 3-5 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
	<u>60,874,848</u>
<u>Less</u> Future finance charges on finance leases	<u>(3,968,237)</u>
The present value of finance lease liabilities	<u>56,906,611</u>

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
	<u>56,906,611</u>

26. OTHER LONG-TERM BORROWINGS

Other long-term borrowings as at December 31, consist of the following : (separate financial statements : Nil)

CONSOLIDATED FINANCIAL STATEMENTS						
	2020			2019		
	Interest rate	Collateral	Baht	Interest rate	Collateral	Baht
	% per annum			% per annum		
Unsubordinated bond	6.50 - 6.75	None	375,000,000	5.50 - 6.75	None	345,000,000
<u>Less</u> Current portion						
due within 1 year			(70,000,000)			(185,000,000)
			<u>305,000,000</u>			<u>160,000,000</u>

As at December 31, 2020 and 2019, such other long-tem borrowings will be due for repayment in October 2021 and December 2020, respectively.

27. DEFERRED TAX AND INCOME TAX EXPENSE

Deferred tax as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Deferred tax assets	49,434,049	-	37,517,341	-
Deferred tax liabilities	228,969,316	237,122,464	-	-

Movements of deferred tax were as follows:

CONSOLIDATED FINANCIAL STATEMENTS							Unit : Baht
As at December 31, 2020	Balances as at January 1, 2020	Adjustment from adoption of TFRS 9 (see Note 2.5)	Acquired from purchase of business	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate on balances held in foreign currencies	Balances as at December 31, 2020
Deferred tax assets are resulted from							
Expected credit losses	10,942,837	18,468,802	899,029	(706,685)	-	-	29,603,983
Allowance for losses on slow-moving inventories	4,764,875	-	-	(85,387)	-	-	4,679,488
Non-current provisions for employee benefit	30,288,768	-	3,314,438	3,023,301	(781,767)	(129,672)	35,715,068
Loss carried forward	-	-	-	37,517,341	-	-	37,517,341
Others	-	-	3,103,243	1,748,630	-	(186,373)	4,665,500
Deferred tax assets	45,996,480	18,468,802	7,316,710	41,497,200	(781,767)	(316,045)	112,181,380
Deferred tax liabilities are resulted from							
Surplus of revaluation - Property plant and equipment	203,578,835	-	-	(5,560,493)	-	-	198,018,342
Depreciation expense - Property plant and equipment	74,093,666	-	-	15,431,415	-	-	89,525,081
Amortized expense - Intangible assets	2,672,314	-	-	(1,374,607)	-	-	1,297,707
Lease liabilities	1,452,173	-	-	769,067	-	-	2,221,240
Amortized front-end fee	1,321,954	-	-	(726,183)	-	-	595,771
Unrealized gain on foreign exchange forward contracts for other purpose	2	-	-	(2)	-	-	-
Others	-	-	529,661	(439,344)	-	(31,811)	58,506
Deferred tax liabilities	283,118,944	-	529,661	8,099,853	-	(31,811)	291,716,647
Deferred tax liabilities - net	237,122,464						179,535,267

As at December 31, 2019	CONSOLIDATED FINANCIAL STATEMENTS			
	Balances as at January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2019
Deferred tax assets are resulted from				
Allowance for doubtful accounts	9,359,758	1,583,079	-	10,942,837
Allowance for losses on slow-moving inventories	5,860,851	(1,095,976)	-	4,764,875
Non-current provisions for employee benefit	22,740,696	9,713,897	(2,165,825)	30,288,768
Unrealized loss on foreign exchange forward contracts for hedging purpose	407,680	(407,680)	-	-
Unrealized loss on foreign exchange forward contracts for other purpose	2,854,470	(2,854,470)	-	-
Deferred tax assets	<u>41,223,455</u>	<u>6,938,850</u>	<u>(2,165,825)</u>	<u>45,996,480</u>
Deferred tax liabilities are resulted from				
Surplus of revaluation - Property plant and equipment	211,004,950	(7,426,115)	-	203,578,835
Depreciation expense - Property plant and equipment	58,704,414	15,389,252	-	74,093,666
Amortized expense - Intangible assets	1,888,628	783,686	-	2,672,314
Share profit from investment in an associate	6,483,493	(6,483,493)	-	-
Finance lease	761,826	690,347	-	1,452,173
Amortized front-end fee	-	1,321,954	-	1,321,954
Unrealized gain on foreign exchange forward contracts for other purpose	312,779	(312,777)	-	2
Deferred tax liabilities	<u>279,156,090</u>	<u>3,962,854</u>	<u>-</u>	<u>283,118,944</u>
Deferred tax liabilities - net	<u>237,932,635</u>			<u>237,122,464</u>

As at December 31, 2020	SEPARATE FINANCIAL STATEMENTS			
	Balances as at January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2020
Deferred tax assets are resulted from				
Loss carried forward	-	37,517,341	-	37,517,341
Deferred tax assets	<u>-</u>	<u>37,517,341</u>	<u>-</u>	<u>37,517,341</u>

As at December 31, 2019	SEPARATE FINANCIAL STATEMENTS			Unit : Baht
	Balances	Recognized in	Recognized in	Balances
	as at January 1, 2019	profit or loss	other comprehensive income	as at December 31, 2019
Deferred tax assets are resulted from				
Allowance for doubtful accounts	5,487,469	(5,487,469)	-	-
Estimated of allowance for returned books	23,537,034	(23,537,034)	-	-
Estimated cost of returned books	(9,771,296)	9,771,296	-	-
Allowance for declining in value	16,492,396	(16,492,396)	-	-
Provisions for employee benefit	2,307,575	(2,307,575)	-	-
Other current assets	1,480	(1,480)	-	-
Deferred tax assets	38,054,658	(38,054,658)	-	-

During the year ended December 31, 2019, the Company has written off all its outstanding deferred tax asset as the Company changes its operation to be the holding company in accordance with its restructuring plan. Therefore, the Company considered that it will not be able to use the tax benefit from this deferred tax asset in the future.

Income tax expense - continued operation for the years ended December 31, consist of the following:

	CONSOLIDATED		SEPARATE		Unit : Baht
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	
Current tax expense in respect of the current period	454,435,621	148,343,149	-	-	
Deferred taxes relating to temporary differences	(35,652,052)	(2,975,996)	(37,517,341)	-	
Income tax expense (income)	<u>418,783,569</u>	<u>145,367,153</u>	<u>(37,517,341)</u>	<u>-</u>	

Income tax expense - discontinued operation for the years ended December 31, consist of the following:

	CONSOLIDATED		SEPARATE		Unit : Baht
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	
Current tax expense in respect of the current period	-	-	-	-	
Deferred taxes relating to temporary differences	-	-	-	38,054,658	
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,054,658</u>	

Reconciliations of income tax expense - continued operation for the years ended December 31, were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accounting profit (loss) before tax				
expense - continued operation	2,037,526,753	402,971,840	(90,365,812)	(51,645,724)
Corporate income tax rate	20%	20%	20%	20%
(Income) Income tax as income tax rate	407,505,351	80,594,368	(18,073,162)	(10,329,145)
Effect of tax losses	-	51,478,762	-	10,329,145
Effect of transactions that are not taxable income and expenses	11,278,218	13,294,023	(19,444,179)	-
Income tax expense (income)	418,783,569	145,367,153	(37,517,341)	-
Effective tax rate	20.55%	36.07%	41.52%	0%

Reconciliations of income tax expense - discontinued operation for the years ended December 31, were as follows:

	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 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%

The Group uses tax rate at 20% to calculate income tax for the year ended December 31, 2020 and 2019 and deferred tax as at December 31, 2020 and 2019.

28. PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Employee benefit obligations	152,149,944	134,393,220	383,095	-
Other long-term employee benefit	26,808,493	17,050,618	-	-
	178,958,437	151,443,838	383,095	-

Movements in employee benefit obligations as at December 31, were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Beginning employee benefit obligations	134,393,220	104,747,300	-	13,306,552
Acquired from purchase of business	5,473,649	-	-	-
Past service cost	-	28,831,450	-	-
Current service cost	24,687,734	25,151,397	383,095	686,398
Interest cost	2,077,385	2,423,661	-	128,887
Actuarial (gain) loss on re-measurements of defined benefit plans				
Experience adjustments	(4,290,672)	(20,267,095)	-	-
Demographic assumptions change	(311,063)	(842,896)	-	-
Financial assumptions change	692,901	10,280,867	-	-
Payments during the year	(10,573,210)	(15,931,464)	-	(240,841)
Transfers to a subsidiary	-	-	-	(13,880,996)
Ending employee benefit obligations	<u>152,149,944</u>	<u>134,393,220</u>	<u>383,095</u>	<u>-</u>

On August 15, 2019, the Company has transferred provisions for employee benefit of Baht 13.88 million to SMM Plus Company Limited, which used to be a subsidiary, according to business restructuring plan.

Movements in other long-term employee benefit as at December 31, were as follows: (separate financial statements : Nil)

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Beginning other long-term employee benefit	17,050,618	8,956,181
Acquire from purchase of business	11,098,543	-
Current service cost	1,553,136	1,049,170
Interest cost	257,323	203,415
Actuarial (gain) loss on re-measurements of defined benefit plans		
Experience adjustments	(613,389)	7,339,250
Demographic assumptions change	(89,368)	(209,740)
Financial assumptions change	246,992	2,547,342
Payment during the year	(2,047,000)	(2,835,000)
Effect of exchange rate changes on balances held in foreign currencies	(648,362)	-
Ending other long-term employee benefit	<u>26,808,493</u>	<u>17,050,618</u>

Amount recognized in the statements of profit or loss and other comprehensive income in respect of these provisions for employee benefits for the years ended December 31, were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Past service cost	-	28,831,450	-	-
Current service cost	26,240,870	26,200,567	383,095	686,398
Interest cost	2,334,708	2,627,076	-	128,887
Actual (gain) loss on re-measurements of defined benefit plans				
Recognized as a part of profit or loss	(455,765)	9,676,852	-	-
Recognized as a part of other comprehensive income	(3,908,834)	(10,829,124)	-	-
	<u>24,210,979</u>	<u>56,506,821</u>	<u>383,095</u>	<u>815,285</u>

The actuarial assumptions used for non-current provisions for employee benefit calculation are as follows (separate financial statements : Nil):

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
	% per annum	% per annum
Discount rate	0.0148 - 1.53	1.51 - 1.53
Future salary incremental rate	0.02 - 4.70	3.00 - 4.90
Turnover rate (range by aging)	0 - 30	0 - 30
Mortality rate	Thai mortality rate 2017	Thai mortality rate 2017
Disability rate	5% from Thai mortality rate 2017	5% from Thai mortality rate 2017

The sensitivity analysis from change in principal actuarial assumptions which affect the present value of non-current provision for employment benefits can be summarized as follows (separate financial statements : Nil):

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Discount rate - increase by 1%	(11,092,591)	(12,127,783)
Discount rate - decrease by 1%	12,809,288	14,020,018
Salary incremental rate - increase by 1%	12,764,496	13,761,907
Salary incremental rate - decrease by 1%	(11,287,129)	(12,149,581)
Life Expectancy - increase by 1 year	792,201	(7,194)
Life Expectancy - decrease by 1 year	(786,647)	(526,122)

Under the Group's employment policy, all employees whose employment period exceeded 5 years to 35 years are entitled to receive other long-term service benefits in accordance with the terms of the employment policy.

The payment of post-employment benefit scheme as at December 31, are demonstrated as follows (separate financial statements : Nil)

	Unit : Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
Within 1 year	6,703,373	3,438,019
More than 1 year - 5 years	36,702,359	38,914,274
Over 5 years	108,744,212	92,040,927
Total	152,149,944	134,393,220

29. PROVIDENT FUND

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 (1987). Both the Company and its employees will contribute to the fund on monthly basis at the rates of 5 to 10 percent of basic salary. The fund, which is managed by an authorized financial institution in accordance with the Provident Fund Act B.E 2530, will be paid to employees upon termination in accordance with the rules of the Group's fund.

For the years ended December 31, 2020 and 2019, the Group's contributions recorded as expenses in the statement of profit or loss and other comprehensive income were Baht 29.66 million and Baht 25.21 million, respectively.

30. AUTHORIZED SHARED CAPITAL

30.1 Consolidated financial statements

In the preparation of the reverse acquisition consolidated financial statements as at December 31, 2020 and 2019 represents the amount of issued equity interests of Team A Holding 2 Company Limited, which is a legal subsidiary (accounting acquirer), outstanding before the business combination and cost of business combination and the amount recognized as issued equity interests issued after the business combination.

	Par value (Baht)	Number of share (Shares)	Value (Baht)
Ordinary shares of Team A Holding 2 Company Limited before business combination	100	10,000	<u>1,000,000</u>
Cost of business combination as of the reverse acquisition date (see Note 2.3.3)			472,306,088
Issued and paid-up share capital of Stark Corporation Public Company Limited after the business combination	1	1,322,932,240	<u>1,322,932,240⁽¹⁾</u>
Amount recognized as issued equity interests as at December 31, 2019			<u>1,796,238,328</u>
Decreasing in par value of shares (see Note 30.2)			<u>(432,010,097)</u>
Amount recognized as issued equity interests as at December 31, 2020			<u>1,364,228,231</u>

- (1) On September 30, 2019, the Company has received share subscription from the capital increase of 1,322,932,240 shares of Baht 1 each that allocated to the existing shareholders (Right Offering) according to the resolution of the Extraordinary General Meeting No. 1/2019 and has registered with the Department of Business Development (DBD), the Ministry of Commerce at the same date.

The above transactions are presented in the consolidation financial statements by reflecting equity structure of the legal parent company as at December 31, as follows:

	2020	Unit : Baht 2019
Issued and paid-up share capital	11,906,404,956	14,049,557,847
Premium on ordinary shares	-	-
Discount on ordinary shares	-	(1,711,142,794)
Adjustment of equity interests under reverse acquisition	<u>(10,542,176,725)</u>	<u>(10,542,176,725)</u>
Total	<u>1,364,228,231</u>	<u>1,796,238,328</u>

30.2 Separate financial statements

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 decreasing in par value of the shares with the Department of Business Development (DBD), the Ministry of Commerce on July 15, 2020.

On December 17, 2020, the Extraordinary General Meeting No. 2/2020 passed a resolution to approve as the following:

- 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-subscribed 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. The Company has registered with the Department of Business Development (DBD), the Ministry of Commerce on December 21, 2020.
- Approval 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 for allotting a newly issued ordinary shares by way of private placement and for the exercise of the STARK-W1 Warrants for which allotting 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 and the Company has registered with the Department of Business Development (DBD), the Ministry of Commerce on December 21, 2020.
- 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 the Company's share combination. The Company has registered with the Department of Business Development (DBD), the Ministry of Commerce on December 23, 2020.
- 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 allotting 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 (allotting 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.
- In addition, issuance date of The STARK-W1 Warrants is January 4, 2021. The first day of exercise date is March 31, 2023 and the last days of exercise is January 3, 2025. The STARK-W1 Warrants are trade on January 15, 2021.

31. 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 Company discloses line items of discontinued operations for the years ended December 31, 2019 as follows :

	Unit : Baht	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2019	2019
<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 year from discontinued operations	(15,782,197)	(156,793,454)
<u>Statement of cash flows</u>		
Net cash used in operating activities	(8,871,750)	(9,161,502)
Net cash provided by investing activities	360,320,495	338,605,621
Net cash provided by (used in) financing activities	(322,108,620)	77,830,219
Net increase in cash and cash equivalents from discontinued operations	29,340,125	407,274,338

32. 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 years ended December 31, 2020 and 2019 were as follows:

For the year ended December 31,	CONSOLIDATED FINANCIAL STATEMENT					Unit: Baht
	2020					
	Segment 1	Segment 2	Segment 3	Segment 4	Total	
Revenue from sales - recognition at a point in time	15,070,707,641	-	-	-	15,070,707,641	
Revenue from rendering services - recognition at a point in time	84,668,306	-	-	-	84,668,306	
Revenue from manpower services - recognition over time	-	1,530,686,884	-	-	1,530,686,884	
Revenue from other services related to petroleum business - recognition at a point in time	-	-	129,153,425	-	129,153,425	
Rental income	-	-	-	42,820,954	42,820,954	
Costs of goods sold	(12,439,751,642)	-	-	-	(12,439,751,642)	
Costs of rendering services	(5,643,581)	-	-	-	(5,643,581)	
Costs of manpower services	-	(1,276,211,868)	-	-	(1,276,211,868)	
Costs of other services related to petroleum business	-	-	(119,297,585)	-	(119,297,585)	
Costs of rental	-	-	-	(28,505,343)	(28,505,343)	
Gross profit	<u>2,709,980,724</u>	<u>254,475,016</u>	<u>9,855,840</u>	<u>14,315,611</u>	<u>2,988,627,191</u>	
Finance income					19,035,922	
Gain on foreign exchange rate - net					645,332,362	
Other income					40,609,338	
Distribution cost					(427,344,146)	
Administrative expenses					(438,245,359)	
Loss on fair value measurement of derivative					(146,660,660)	
Finance cost					(660,071,762)	
Reversal of Impairment loss determined in accordance with Thai Financial Reporting Standard No. 9					14,764,831	
Share of profit from investments in an associate					<u>1,479,036</u>	
Gain before income tax					<u>2,037,526,753</u>	
Income tax expenses					<u>(418,783,569)</u>	
Profit for the year					<u>1,618,743,184</u>	

					Unit: Baht
CONSOLIDATED FINANCIAL STATEMENT					
For the year ended December 31,	2020				
(Continued)	Segment 1	Segment 2	Segment 3	Segment 4	Total
Information about transactions with major customers					
Revenue earned from major customers (Baht)	2,771,189,159	1,448,580,344	97,362,210	26,990,124	4,344,121,837
Number of major customers (customers)	4	1	3	3	
					Unit: Baht
CONSOLIDATED FINANCIAL STATEMENT					
For the year ended December 31,	2019				
	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sales - recognition at a point in time	10,149,584,831	-	-	-	10,149,584,831
Revenue from rendering services - recognition at a point in time	8,557,800	-	-	-	8,557,800
Revenue from manpower services - recognition over time	-	1,238,554,467	-	-	1,238,554,467
Revenue from other services related to petroleum business - recognition at a point in time	-	-	83,453,797	-	83,453,797
Rental income	-	-	-	48,701,263	48,701,263
Costs of goods sold	(8,905,135,765)	-	-	-	(8,905,135,765)
Costs of rendering services	(4,959,521)	-	-	-	(4,959,521)
Costs of manpower services	-	(1,074,818,247)	-	-	(1,074,818,247)
Costs of other services related to petroleum business	-	-	(83,340,172)	-	(83,340,172)
Costs of rental	-	-	-	(34,401,061)	(34,401,061)
Gross profit	1,248,047,345	163,736,220	113,625	14,300,202	1,426,197,392
Finance income					68,669,608
Gain on foreign exchange rate - net					151,965,996
Other income					10,187,744
Distribution cost					(258,804,244)
Administrative expenses					(348,635,595)
Listing license fee					(162,446,940)
Finance cost					(487,407,361)
Share of profit from investments in an associate					3,245,240
Gain before income tax					402,971,840
Income tax expenses					(145,367,153)
Profit for the year from the continued operations					257,604,687
Loss for the year from the discontinued operations					(15,782,197)
Profit for the year					241,822,490
Information about transactions with major customers					
Revenue earned from major customers (Baht)	2,729,054,791	1,190,240,164	30,627,197	30,934,899	3,980,857,051
Number of major customers (customers)	2	1	2	3	

The Group has earned revenue from its operation both domestically and internationally.

Operating segments by geographical areas of the Group for the years ended December 31, were as follows:

For the years ended December 31,	CONSOLIDATED FINANCIAL STATEMENTS					Unit: Baht	
	Domestic sales		Export sales		Total	2019	2020
	2020	2019	2020	2019			
Revenue from sales - recognition at a point in time	12,814,848,079	8,919,841,675	2,255,859,562	1,229,743,156	15,070,707,641	10,149,584,831	
Revenue from rendering services - recognition at a point in time	84,668,306	8,557,800	-	-	84,668,306	8,557,800	
Revenue from manpower services - recognition over time	1,530,686,884	1,238,554,467	-	-	1,530,686,884	1,238,554,467	
Revenue from other services related to petroleum business - recognition at a point in time	129,153,425	83,453,797	-	-	129,153,425	83,453,797	
Rental income	42,820,954	48,701,263	-	-	42,820,954	48,701,263	
Revenue from continued operations	14,602,177,648	10,299,109,002	2,255,859,562	1,229,743,156	16,858,037,210	11,528,852,158	
Revenue from discontinued operations	-	54,977,540	-	-	-	54,977,540	
Total revenue	<u>14,602,177,648</u>	<u>10,354,086,542</u>	<u>2,255,859,562</u>	<u>1,229,743,156</u>	<u>16,858,037,210</u>	<u>11,583,829,698</u>	
As at December 31,							
Non-current assets ⁽¹⁾	<u>3,585,030,602</u>	<u>2,975,381,181</u>	<u>1,259,307,712</u>	<u>-</u>	<u>4,844,338,314</u>	<u>2,975,381,181</u>	

(1) Non-current assets exclude investment, goodwill, and other non-current assets.

33. EXPENSE BY NATURE

Analysis of expenses by nature presented in the financial statement for the years ended December 31, consisted of the following items:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Unit : Baht	
	2020	2019	2020	2019	2019	2020
Changes in finished goods and work-in-process	5,005,319,887	190,493,311	-	-	-	-
Changes in raw materials and consumable materials	6,505,290,651	7,892,895,257	-	-	-	-
Costs of manpower services	1,276,211,868	1,074,818,247	-	-	-	-
Costs of other services related to petroleum business	119,297,585	83,340,172	-	-	-	-
Costs of rental	44,882,540	63,314,306	-	-	-	-
Depreciation and amortization	216,182,967	157,393,307	-	-	-	-
Personnel expenses	672,336,960	574,423,815	9,085,238	1,015,000	1,015,000	9,085,238
Utility expenses	135,657,773	116,423,208	-	-	-	-
Professional fees	105,356,665	90,669,385	16,018,267	21,027,761	21,027,761	16,018,267
Bank fee	97,905,183	82,239,953	3,665,363	66,780	66,780	3,665,363
Maintenance expense	63,353,952	61,869,660	19,328	-	-	19,328
Transportation expenses	156,107,128	115,391,773	-	-	-	-
Reversal of expected credit losses	(14,764,831)	-	-	-	-	-
Reversal of allowance for doubtful account	-	(12,634,363)	-	-	-	-
Selling expenses	108,235,539	27,723,270	-	-	-	-
Loss on exchange rate	16,488,820	-	-	-	-	-
Listing license fee	-	162,446,940	-	-	-	-
Loss on fair value measurement of derivative	146,660,660	-	-	-	-	-
Other expenses	227,136,837	191,733,304	7,163,018	4,421,220	4,421,220	7,163,018
Expenses for the period from continued operations	<u>14,881,660,184</u>	<u>10,872,541,545</u>	<u>35,951,214</u>	<u>26,530,761</u>	<u>26,530,761</u>	<u>35,951,214</u>
Expenses for the period from discontinued operations	<u>-</u>	<u>68,574,547</u>	<u>-</u>	<u>346,289,833</u>	<u>346,289,833</u>	<u>-</u>
Total	<u>14,881,660,184</u>	<u>10,941,116,092</u>	<u>35,951,214</u>	<u>372,820,594</u>	<u>372,820,594</u>	<u>35,951,214</u>

34. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share for the years ended December 31, are calculated by dividing the profit (loss) for the years by the weighted average number of ordinary shares outstanding during the years as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Profit (loss) for the years of the owner of the Parent Company (Baht)				
Profit (loss) for the year from continued operations	1,608,660,240	139,705,257	(52,848,471)	(51,645,724)
Loss for the year from discontinued operations	-	(15,782,184)	-	(156,793,454)
Weighted average ordinary shares capital (share)				
Issued and paid-up shares capital	11,906,404,956	-	11,906,404,956	161,605,503 ⁽¹⁾
Weighted average share capital from business combination under reverse acquisition ⁽¹⁾	-	5,302,780,311 ⁽¹⁾⁽²⁾	-	-
Effects from issued shares during the year	-	349,524,711 ⁽¹⁾	-	2,658,492,281 ⁽¹⁾
Weighted average number of ordinary shares for diluted earnings (loss) per shares	<u>11,906,404,956</u>	<u>5,652,305,022</u>	<u>11,906,404,956</u>	<u>2,820,097,784</u>
Basic earnings (loss) per share (Baht)				
Earnings (loss) from continued operations	0.1351	0.0247	(0.0044)	(0.0183)
Earnings (loss) from discontinued operations	-	(0.0028)	-	(0.0556)

(1) The number of ordinary shares was revised from combining shares. (see Note 30.2)

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

As at December 31, 2020 and 2019, there is no dilutive potential ordinary share in calculation of diluted earnings (loss) per share.

35. CAPITAL MANAGEMENT

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Monitoring the capital level of the Group is conducted in accordance with the covenant on financial ratio stipulated in loan agreement

As at December 31, 2020 and 2019, the subsidiary cannot maintain some financial ratios as stipulated in borrowing agreements. However, the financial institution has issued the debt-covenant exemption letters to such subsidiary on December 30, 2020 and December 27, 2019 respectively (see Note 23).

36. DISCLOSURE OF FINANCIAL INSTRUMENT INFORMATION

The Group presents and discloses financial instrument information of the Group as follows:

36.1 Credit risk

Credit risk refers to the risk that counterparty will default on its terms and conditions resulting in collection loss. The Company has concentrations of credit risk. However, the Company has adopted the policy of dealing with creditworthy counterparty as a mean of mitigating the risk of financial losses from defaults.

In case of recognized financial assets in the statements of financial position, the carrying amounts of the assets represent the maximum exposure to credit risk.

As at December 31, 2020 and 2019, the Company has concentration of credit risk principally from trade receivables approximately 3% and 25% of its trade receivables, which comprised of 5 major customers and 6 major customers, respectively.

36.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Group in the current reporting period and in future years. The Group does not expect to incur material incremental effect on its interest expense.

The interest rate of the financial assets and liabilities as at December 31, 2020 and 2019 and the due of repayment or the renewal of interest rate are as follows:

				Unit: Baht
CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2020				
	Interest rate (per annum)	Within 1 year	Over 1 year but within 5 years	Total
Current assets				
Short-term loans to related companies	1.37 - 6.50	208,919,925	-	208,919,925
Non-current assets				
Long-term loans to related companies	5.50	-	43,369,191	43,369,191
Total		<u>208,919,925</u>	<u>43,369,191</u>	<u>252,289,116</u>
Current liabilities				
Bank overdraft and short-term borrowings from a financial institution	3.19 - 5.50	7,107,236,102	-	7,107,236,102
Current portion of long-term borrowings from financial institutions	3.50 - 5.63	986,842,813	-	986,842,813
Current portion of lease liabilities	3.19 - 5.25	74,392,668	-	74,392,668
Short-term borrowings from related companies	4.72 - 6.00	28,000,000	-	28,000,000
Short-term borrowings from related persons	5.60	34,000,000	-	34,000,000
Other short-term borrowings	4.00 - 6.75	592,164,634	-	592,164,634
Current portion of other long-term borrowings	6.50	70,000,000	-	70,000,000
Non-current liabilities				
Long-term borrowings from financial institutions	3.50 - 5.63	-	2,999,318,641	2,999,318,641
Long-term borrowings from related companies	6.00	-	5,695,649	5,695,649
Lease liabilities	3.19 - 5.25	-	159,201,492	159,201,492
Other long-term borrowings	6.50 - 6.75	-	305,000,000	305,000,000
Total		<u>8,892,636,217</u>	<u>3,469,215,782</u>	<u>12,361,851,999</u>
				Unit: Baht
CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2019				
	Interest rate (per annum)	Within 1 year	Over 1 year but within 5 years	Total
Current assets				
Short-term loans to related companies	1.37	30,000,000	-	30,000,000
Non-current assets				
Long-term loans to related companies	5.50	-	63,369,191	63,369,191
Total		<u>30,000,000</u>	<u>63,369,191</u>	<u>93,369,191</u>
Current liabilities				
Bank overdraft and short-term borrowings from a financial institution	3.50 - 5.00	1,706,300,588	-	1,706,300,588
Current portion of long-term borrowings from financial institutions	3.50 - 5.00	481,271,376	-	481,271,376
Current portion of lease liabilities	5.25	17,771,652	-	17,771,652
Other short-term borrowings	4.60 - 6.50	822,000,000	-	822,000,000
Current portion of other long-term borrowings	5.50 - 6.25	185,000,000	-	185,000,000
Non-current liabilities				
Long-term borrowings from financial institutions	3.50 - 5.00	-	1,588,464,702	1,588,464,702
Long-term borrowings from related company	6.00	-	5,695,649	5,695,649
Lease liabilities	5.25	-	39,134,959	39,134,959
Other long-term borrowings	5.25 - 6.50	-	160,000,000	160,000,000
Total		<u>3,212,343,616</u>	<u>1,793,295,310</u>	<u>5,005,638,926</u>

Unit: Baht

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2020			
	Interest rate (per annum)	Within 1 year	Over 1 year but within 5 years	Total
Current liabilities				
Current portion of long-term borrowings				
from financial institutions	5.125	15,000,000	-	15,000,000
Short-term borrowings to related companies	4.50 - 5.25	247,807,041	-	247,807,041
Other short-term borrowings	4.00 - 5.80	224,000,000	-	224,000,000
Non-current liabilities				
Long-term borrowings from financial institutions	5.125	-	8,978,847	8,978,847
Long-term borrowings from related companies	5.50	-	1,000,000,000	1,000,000,000
Total		486,807,041	1,008,978,847	1,495,785,888

Unit: Baht

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2019			
	Interest rate (per annum)	Within 1 year	Over 1 year but within 5 years	Total
Current liabilities				
Current portion of long-term borrowings				
from financial institutions	5.99	15,000,000	-	15,000,000
Short-term borrowings to related companies	5.50 - 5.25	246,807,041	-	246,807,041
Other short-term borrowings	5.80	130,000,000	-	130,000,000
Non-current liabilities				
Long-term borrowings from financial institutions	5.99	-	23,978,847	23,978,847
Long-term borrowings from related companies	5.50	-	1,000,000,000	1,000,000,000
Total		391,807,041	1,023,978,847	1,415,785,888

36.3 Foreign exchange risk

Foreign exchange risk arises from the potential for a change in foreign exchange rate to have an adverse effect on the Group in the current reporting period and in future years. The Group has policy to enter into forward foreign exchange contracts to hedge effecting on their financial assets or liabilities in foreign currencies. (see Note 37).

36.4 Fair value of financial instruments

As at December 31, 2020 and 2019, the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The information related to the fair value measurement of such financial assets and financial liabilities are demonstrated in the following schedule:

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			
	2020	2019	2020	2019		
	(Baht)		(Baht)			
<u>Financial assets</u>						
Foreign exchange forward contracts	-	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	191,276,022	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 assets, short-term borrowings from financial institutions, trade and other current payables, current portion of long-term borrowings from financial institutions and current portion of other long-term borrowings, current portion of lease liabilities, short-term borrowings from related companies, short-term borrowings from related persons, 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.

Investment properties have fair value in the amount of Baht 256.20 million and Baht 64.25 million. The fair value is determined by applying the cost approach and the market approach, respectively, which has hierarchy level classified in level 3 .

Payable - forward foreign exchange contracts for hedging purpose as at December 31, 2020 and 2019 have fair value in the amount of Baht 191.28 million and Baht 44.62 million, respectively. The fair value amount is measured by using the discounted cash flow method, which has the fair value hierarchy level classified in level 2.

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 December 31, 2020 and 2019 has the carrying value amounting of Baht 85.35 million and Baht 107.68 million, respectively, and has fair value of Baht 78.33 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 other long-term borrowings 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.

37. DERIVATIVE ASSETS AND LIABILITIES

Derivative assets consist as at December 31, 2019 of the following (as at December 31, 2020 : Nil):

CONSOLIDATED FINANCIAL STATEMENT			
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 December 31, consist of the following (separate financial statements : Nil):

CONSOLIDATED FINANCIAL STATEMENT			
2020			
	Contract value (USD)	Contract value (Baht)	Net fair value (Baht)
Forward foreign exchange contracts	178,891,040	5,564,419,613	(191,276,022)

	CONSOLIDATED FINANCIAL STATEMENT			
	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 December 31, 2020 and 2019, such forward foreign exchange contracts have maturity date within 11 months and 5 months by respectively, from the statement of financial position date.

38. 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:

38.1 Balances with related parties as at December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade receivables				
Related companies	23,893,266	13,992,066	-	-
Total	23,893,266	13,992,066	-	-
Other current receivables				
Direct subsidiaries	-	-	5,778,000	-
Indirect subsidiaries	-	-	12,963,000	-
Indirect associate	2,685,084	5,682,320	-	-
Related companies	5,258,847	5,387,342	-	-
Total	7,943,931	11,069,662	18,741,000	-
Short-term loan to related companies				
Related companies	208,919,925	30,000,000	-	-
Total	208,919,925	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	268,359,888	250,047,633	-	-
Total	268,359,888	250,047,633	-	-
Trade payables				
Indirect associate	2,191,013	14,157,723	-	-
Related companies	45,556,387	63,974,272	-	-
Total	47,747,400	78,131,995	-	-
Other current payables				
Related companies	21,925,130	10,284,277	-	-
Total	21,925,130	10,284,277	-	-
Short-term borrowings from related companies				
Direct subsidiary	-	-	241,807,041	246,807,041
Indirect subsidiary	-	-	3,000,000	-
Related companies	28,000,000	-	3,000,000	-
Total	28,000,000	-	247,807,041	246,807,041
Short-term borrowings from a related person				
A related person	34,000,000	-	-	-
Total	34,000,000	-	-	-

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
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	<u>5,695,649</u>	<u>5,695,649</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Interest payable				
Direct subsidiaries	-	-	66,479,565	7,118,308
Indirect subsidiary	-	-	94,932	-
A related company	57,804	-	57,804	-
A related person	1,307,507	-	-	-
Total	<u>1,365,311</u>	<u>-</u>	<u>66,632,301</u>	<u>7,118,308</u>

38.2 Transactions with related parties for the years ended December 31, consist of the following:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Revenue from sales				
A subsidiary - before business combination	-	-	-	30,214,710
Indirect associate	7,880	8,806	-	-
Related companies	32,621,845	70,323,852	-	-
Purchases				
Indirect associate	46,782,554	73,170,619	-	-
Related companies	250,274,539	225,269,201	-	-
Interest incomes				
Related companies	8,870,872	64,098,130	-	-
Management fee income				
Indirect associate	1,200,000	1,200,000	-	-
Direct subsidiaries	-	-	8,400,000	-
Indirect subsidiaries	-	-	13,800,000	-
Related companies	-	2,000,000	-	-
Other income				
A subsidiary - before business combination	-	-	-	2,735,335
Related companies	3,881,000	3,870,764	-	-
Revenue from sales scrap				
Indirect associate	8,955,165	12,326,550	-	-
Related companies	-	586,815	-	-
Management fee expense				
Related companies	-	15,600,000	-	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Interest expense				
Direct subsidiaries	-	-	66,315,066	54,830,257
Indirect subsidiary	-	-	94,932	-
Indirect associate	-	61,479	-	-
Related companies	2,588,736	4,172,266	202,359	4,172,266
A related person	-	1,645,479	-	-
Freight expense				
Related companies	113,595,677	110,007,729	-	-

38.3 Directors and managements' remuneration for the years ended December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Short-term employee benefits	25,592,150	41,885,839	2,830,000	5,161,532
Post-employment benefits	18,085,266	10,930,167	310,470	-
Total	<u>43,677,416</u>	<u>52,816,006</u>	<u>3,140,470</u>	<u>5,161,532</u>

38.4 Guarantees and collaterals

As at December 31, 2020, the Company, Thai Cable International Company Limited and Adisorn Songkhla Company Limited which are the Company's subsidiary guaranteed Phelps Dodge International (Thailand) Limited's short-term and long-term borrowings from a financial institution. (see Notes 18 and 23).

38.5 Significant agreement

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.

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.

38.6 Nature of relationship

Name	Country / Nationality	Relationship	Type of relationship
<u>Before business combination</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	Subsidiary	Direct shareholder
PDTL Trading Co., Ltd.	Thailand	Subsidiary	Direct shareholder
Adisorn Songkhla Co., Ltd.	Thailand	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
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 Tunneling 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 scrap	Price as specified in the agreement
Management Fee	Price as specified in the agreement
Transportation fee	Price as specified in the agreement

39. COMMITMENTS, LETTER OF GUARANTEE AND SIGNIFICANT AGREEMENTS

39.1 Purchases of raw materials and machinery commitments

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

CONSOLIDATED FINANCIAL STATEMENTS								
2020								
	Baht	US Dollar	Euro	AU Dollar	Swiss Franc	Yuan Renminbi	Pound Sterling	Dong
Purchases of raw materials commitment	442,391,849	369,581,505	35,180	300	750	1,218,422	3,878	862,462,554,044
Purchases of machinery commitment	103,837,173	1,127,264	540,797	-	-	-	-	31,596,845,228
Total	<u>546,229,022</u>	<u>370,708,769</u>	<u>575,977</u>	<u>300</u>	<u>750</u>	<u>1,218,422</u>	<u>3,878</u>	<u>894,059,399,272</u>
CONSOLIDATED FINANCIAL STATEMENTS								
2019								
	Baht	US Dollar	Euro	AU Dollar	Swiss Franc	Yuan Renminbi	Pound Sterling	Dong
Purchases of raw materials commitment	459,667,036	45,786,927	85,011	300	2,250	1,696,672	1,431	-
Purchases of machinery commitment	176,050,025	1,497,906	6,707,696	-	-	-	-	-
Total	<u>635,717,061</u>	<u>47,284,833</u>	<u>6,792,707</u>	<u>300</u>	<u>2,250</u>	<u>1,696,672</u>	<u>1,431</u>	<u>-</u>

39.2 Letters of guarantees

As at December 31, 2020 and 2019, the subsidiary 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						
2020						
	Baht	US Dollar	India Rupee	Hong Kong Dollar	Srilanka Rupee	Vietnam Dong
Letters of guarantee for contractual performance without collateral	514,040,295	5,001,675	3,471,468	7,000,000	-	-
Letters of guarantee for electricity usage and others without collateral	130,885,367	490,559	-	-	-	-
Letters of guarantee for electricity usage and others with collateral	485,400	-	-	-	-	-
Letters of guarantee for rendering services with collateral*	9,420,000	30,000	-	-	-	-
Letter of Guarantee of warranty	-	357,109	-	-	-	114,047,923,560
Letter of Guarantee of bidding	-	-	-	-	-	33,371,369,125
Letter of Guarantee of advance payment	-	2,079,468	-	-	-	150,330,508,187
Letter of Guarantee of Contract implementation	-	19,492	-	-	-	55,577,810,922
Letter of Guarantee of Contract implementation and warranty	-	-	-	-	-	42,654,000
Letter of Guarantee of payment	-	-	-	-	-	745,186,666

CONSOLIDATED FINANCIAL STATEMENTS					
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 December 31, 2020 and 2019, cash at bank - saving account of a subsidiary amount of Baht 2.09 million and Baht 39.07 million, respectively, is used as collateral for bank guarantee for contractual performance.

39.3 Letters of credit, trust receipt and telegraphic transfer facility

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

CONSOLIDATED FINANCIAL STATEMENTS				
	US Dollar	Baht	2020 Dong	Guaranteed / Collateral
Unused letters of credit, trust receipt and telegraphic transfer facility	20,000,000	477,545,069	-	None
Unused letters of credit, trust receipt and telegraphic transfer facility	30,719,698	1,529,291,275	777,969,162,777	1. The mortgage of the subsidiary's land, structures and machinery 2. Shares of a subsidiary
CONSOLIDATED FINANCIAL STATEMENTS				
	US Dollar	Baht	2019	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	

40. 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 year ended December 31, 2019 presented as comparative information have been reclassified to conform to the presentation used in the consolidated financial statements for year ended December 31, 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
Statement of profit or loss and other comprehensive income for the year ended December 31, 2019			
Finance income	68,669,608	Interest income	Finance income

Such reclassifications have no impact to the consolidated statement of cash flows for the year ended December 31, 2019.

41. EVENT AFTER THE REPORTING PERIOD

On February 17, 2021, the Board of Director's Meeting of a subsidiary has passed a resolution to issue bill of exchange and debenture in the total amount not exceeding Baht 350,000,000 to private placement investors not exceeding 10 persons for each type of security, with interest rate not exceeding 7.5% per annum, and bill of exchange's maturity are not exceeding 270 days and debenture's maturity are not exceeding 730 days. During February 2021, the Company has already issued and offered the debenture in accordance with the resolution in amount of Baht 20,000,000 and not yet issued and offered bills of exchange in accordance with the resolution

42. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 23, 2021.