



บริษัท ยงไทย จำกัด (มหาชน)
Yong Thai Public Company Limited

รายงานประจำปี 2563
Annual Report 2020



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Vision Mission Objectives And Business Goals

Vision

We are evolution the business for the future

Mission

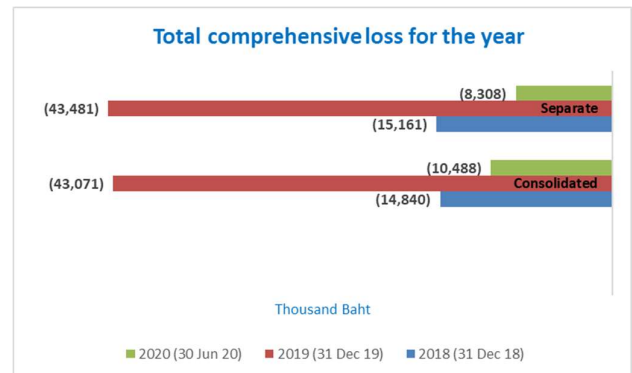
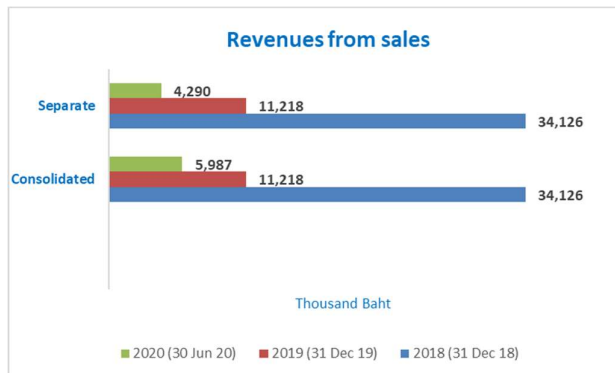
- 1. Focus on doing business with good corporate governance Responsibility and Sustainability to Stakeholders.**
- 2. In production processes with minimal environmental impact, including energy efficiency.**
- 3. To support communities in the vicinity of the Company to keep the community, society and company well together.**

Objectives And Business Goals

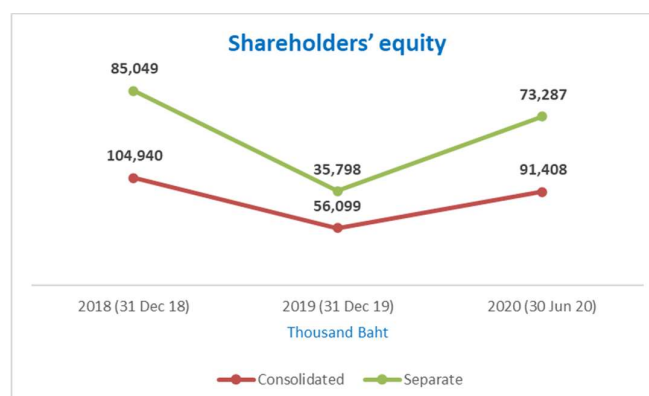
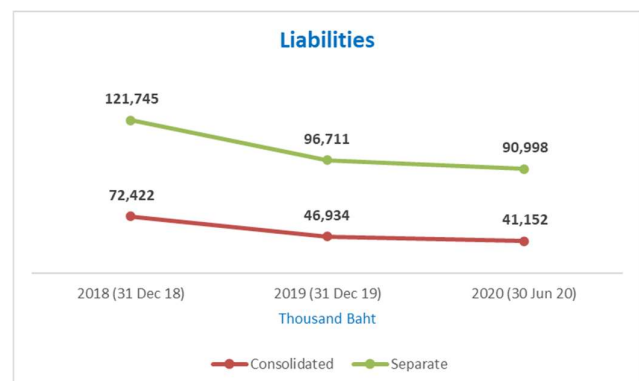
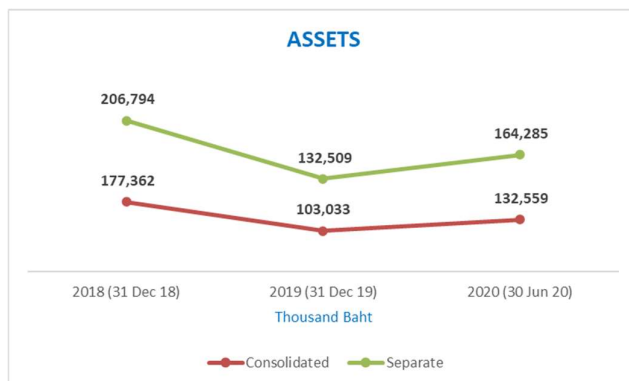
Yong Thai Public Company Limited (“the Company”) has objective to develop the business to stakeholders based on good governance, responsibility and sustainability to generate consistent long-term return on investment.

Financial Highlights

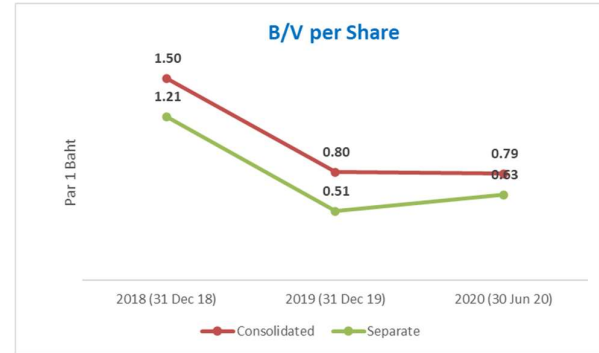
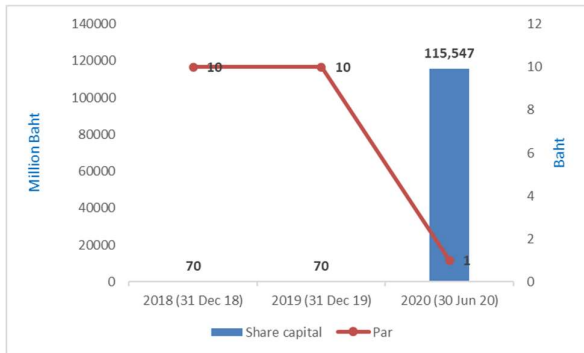
1. Statement of Comprehensive Income



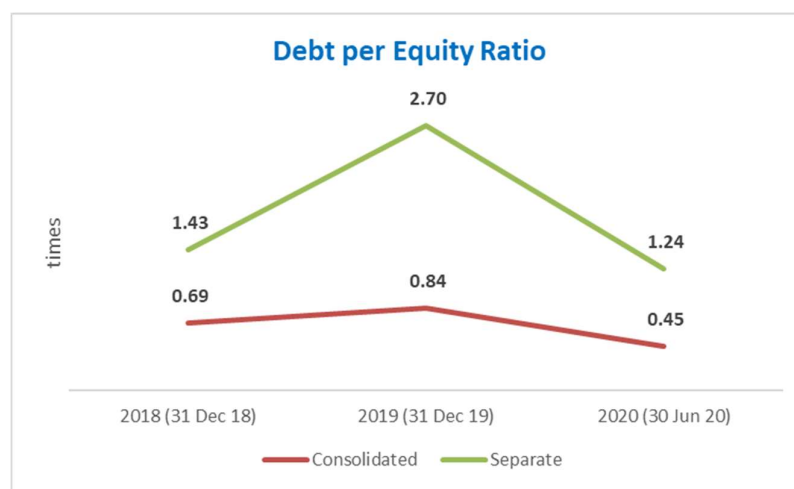
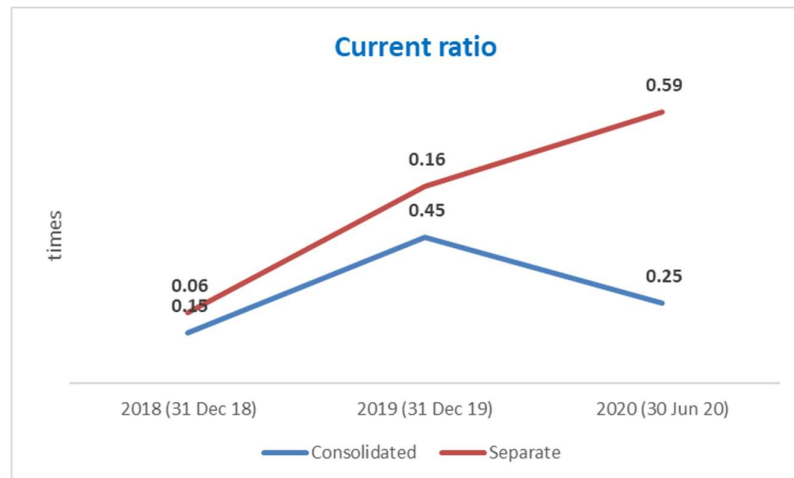
2. Statement of Financial Position



3. Information on Ordinary Shares



4. Financial Ratio



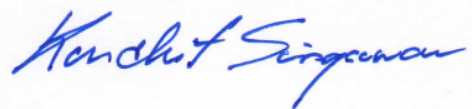
Message From The Chairman

Since the Board of Directors has resolved to propose to the shareholders at the previous general meeting regarding the change of accounting period from the accounting period ended on December 31 of each year to the accounting period ended on June 30 of each year. The financial statements for the year 2020 have been prepared according to the said accounting period that has changed.

The Company's operating results for the year 2020 had total income of 6.10 million baht, loss of 10.49 million baht, compared with the accounting period ended December 31, 2019, which had total income of 11.38 million baht and net loss of 43.07 million baht as a result. The total loss decreased by 32.58 million baht, or 75.65% decrease. The company continues to operate as a manufacturer and distributor of Zirconium Silicate according to the business plan. Even though the sales of the company have declined from the main business. The company studied business feasibility and invested in World Education Loan Services Co., Ltd. to provide education loan service. For educational institutions in Thailand As a result, The company has total assets of 132.56 million baht, compared with the accounting period ended December 31, 2019, the total assets of 103.03 million baht, an increase of 29.53 million baht or 28.66 percent, which can gradually be recognized as revenue to the company. In the future

From the situation of the spread of COVIC - 19 around the world, including Thailand. Causing The company to be unable to operate according to the business plan The Board of Directors has continuously consulted with each other and come up with concrete solutions. Closely assess the situation Striving to achieve objective to develop the business to stakeholders based on good governance, responsibility and sustainability to generate consistent long-term return on investment.

However, the company plans to increase capital and sell unused assets to improve its liquidity. Management team believes that it will be return to profit and proceeding to be qualified to be resume.



MR. KUNCHIT SINGSUWAN

Chairman

Board Of Directors And Management Team



MR. KUNCHIT SINGSUWAN

Chairman
Independent Director



MR. VIPAS THONGSUDDHI
Independent Director



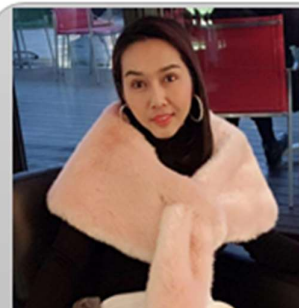
MR. CHOTJUTA AJSORN
Independent Director



MISS. BANG-ON PHUMCHAI
Director



MISS JERMSIRI LERDCHAITAT
Director



MISS. WIPAKORN THANACHOKDECHKHAJORN
Director



Profile Of Directors And Management Team

MR. KUNCHIT SINGSUWAN

Type of director	Director / Independent Director
Position	Chairman and Chairman of Audit Committee
Age	58 yrs.
Education	<p>Doctor of International Business, Alliant International University, San Diego, CA, USA</p> <p>Master of International Business, Alliant International University, San Diego, CA, USA</p> <p>Bachelor of Laws, Chulalongkorn University</p> <p>LED 1 : Listed Entity Director Essentials By Singapore Institute of Directors (SID)</p> <p>LED 2 : Board Dynamics By Singapore Institute of Directors (SID)</p> <p>LED 3 : Board Performance By Singapore Institute of Directors (SID)</p> <p>LED 4 : Shareholder Engagement By Singapore Institute of Directors (SID)</p>
Training	<p>Financial Advisor Courses (FA) By Investment Banking Club, Association of Thai Securities Companies (ASCO)</p> <p>Corporate Valuation By Asia Connect</p> <p>Corporate Finance Law & Restructuring By Asia Connect</p> <p>Executive Development Program (EDP) Class 8/2012 By FPRI ,Ministry of Finance</p> <p>Leadership Succession Program Class 1/2013 By IRDP ,Ministry of Finance</p> <p>Director Accreditation Program (DAP) Class 68/2008, Thai Institute of Directors Association (IOD)</p>
Experience	<p>2007 – Present Executive Director And Audit Committee 2 S Metal Public Company Limited (Thailand) Date of Appointment : 15 Nov 2007</p> <p>2019 - Present Independent Director Nortic AWUT Public Company Limited (Catalist Exchange)</p> <p>2017- Present Managing Director BaopostAssociate Co.,Ltd.</p> <p>2017-2019 Managing Director UpVenger Co., Ltd</p> <p>2016-2017 Managing Director EEGC Waste Management Co.,Ltd.</p> <p>2016-2017 Acting Managing Director Truth Insurance Co.,Ltd.</p>



	2013-2014 Acting Managing Director Islamic Bank of Thailand
	2010-2015 Asistant Managing Director Islamic Bank of Thailand
Proportion of shares (At 30, June 2020)	- N/A-
Family of relations about Executive	- N/A-

MISS.BANG-ON PHUMCHAI

Type of director	Director / Managing Director.
Position	Managing Director
Age	33 yrs.
Education	Master of Business Administration , Ramkhamhaeng University Bachelor of Communication Arts ,Sunandha Rajabhat University
Experience	2011 - 2015 Marketing and Public Relations Officer TTF International Co.,Ltd. 2016 - 2019 EntrepreneurshipService vehicles for NIM Express
Proportion of shares (At 30, June 2020)	- N/A-
Family of relations about Executive	- N/A-

MISS. WIPAKORN THANACHOKDECHKHAJORN

Type of director	Authorized signatory / Managing Director.
Position	Director
Age	37 yrs.
Education	Bachelor of Business Administration Information Technology ,Dhurakij Pundit University
Experience	2005- 2011 Scgacemethai Public Company Limited (Thailand) the position of secretary PR Manager 2012-2013 CIMB Thai Bank Public Company Limited Analysts credit the automotive business 2014-2015 Search Results Web results Subaru Thailand Import Manager



Proportion of shares 20.39 %

(At 30, June 2020)

Family of relations about - N/A-

Executive

MISS JERMSIRI LERDCHAITAT

Type of director Authorized signatory / Managing Director. (Resigned April 1, 2020)

Position Managing Director

Age 39 yrs.

Education Bachelor of Business Administration in Hospitality & Tourism,
Assumption University
Studying Master of Business Administration (International Program),
Stamford International University

Training Building new entrepreneurs Course : Ministry of Industry
ISO 9001:2000 Awareness Training Course : SGS (Thailand) Ltd.

Experience 2017-Present Vice President, Financial and Human Capital Management
World Credit Foncier Co., Ltd.
2006-2013 officer 3 : Bank of Ayudhya Public Company Limited.

Proportion of shares - N/A-

(At 30, June 2020)

Family of relations about - N/A-

Executive



MR. VIPAS THONGSUDDHI

Type of director	Director / Independent Director
Position	Audit Committee
Age	58 yrs.
Education	<p>Bachelor of Laws ,Ramkhamhaeng University</p> <p>Barristor-At-Law 39th Century, The thai bar under The Royal Patronage</p> <p>Master of Lows(Public law), Chulalongkorn University</p> <p>Doctor of management of public and private programs ,National Institute of Development Administration(NIDA)</p> <p>Certificate in Financial Risk Management Model 9 ,Faculty of Economics ,Chulalongkorn University</p> <p>Diploma in Development Research, Sukhothai Thammatirat University</p> <p>Doctor of Public Administration (DPA), Ateneo de Davao University, Philippines</p> <p>Honorary Doctor of Philosophy (Educational Administration), University of North Bangkok</p>
Experience	<p>2016 – Present Rector of Nakhon Ratchasima College</p> <p>2017 – Present Director of PathumThani University Council</p> <p>1992 – Present President of the Office of Legal Royale International Group Limited.</p> <p>1992 – Present Lawyer company fixed the Office of Legal Royale International Group Limited.</p> <p>1992–Present Company Advisors Business organizations and private organizations</p>
Proportion of shares (At 30, June 2020)	- N/A-
Family of relations about Executive	- N/A-



MR. CHOTJUTA AJSORN

Type of director	Director / Independent Director
Position	Audit Committee
Age	52 yrs.
Education	Master of Housing Development Science and Real Estate Development ,Chulalongkorn University Master of Business Administration in Finance and Marketing ,Sripatum University Bachelor of Engineering in Civil Engineering, Rajamangala Institute of Technology Thewet Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat University
Training	Politics and Governance in Democratic System for Executives, Class 22 Advanced Certificate Course in Public Economy for Executives Class 14
Experience	2006 – Present Director of CEL ENGINEERING LTD. 2014 – Present Director PSC Construction Limited Management Limited. 2014 – Present Director V. King Kandy and Management Co., Ltd. 2018 - Present President of The Uten Campus Alumni Association 2014 – Present Executive Consulting Group Project Construction of a new parliament building. 2016 - Present Director of STS frames at the end TRUST LTD. 2018 – Present Advisor to the Sub-Committee to study the Service Upgrade Program of The Sports Authority of Thailand (National smart sport park)
Proportion of shares (At 30, June 2020)	- N/A-
Family of relations about Executive	- N/A-



Company Information

General Information

Company Name	Yong Thailand Public Company Limited
Company Registration Number	0107536000439 (or the PLC. 117)
Business	Manufacture and sale of chemicals
Accounting period	July - 31 June
Head Office	633/14 Satupradit Road. Yannawa, Bangkok 10120
Phone / Fax	0-2294-3364-5 / 0-2294-3373
E-mail	contact@yci.co.th
Website	www.yci.co.th
Registered Capital	346,641,960 Baht.
Common Stock	346,641,960 Share and Par 1 Baht.
Year of being listed in the stock exchange	8 June 1993
Securities registration	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400, Thailand Phone : 0-2009-9000 Fax : 0-2009-9991 SET Contact center: 0-2009-9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th
Auditor	MR. Bunjong Pichayaprasat C.P.A. (Thailand) Reg. No.7147 Siam Truth Audit Company Limited 338 Building A, 8th Floor, Preecha Complex Project Ratchadaphisek Road Soi Ratchadaphisek 20 Samsennok Subdistrict, Huai Khwang District, Bangkok 10310 Phone (02) 275-9599 E-mail audit@siamtruth.com



General Information

Juristic person in which the company holds shares From 10 percent or more of the total issued shares

ON	Company / Location	Business	Stock	Number of Shares Issued	Holding Shares	Proportion
1	T&T Leader Company Limited 633/14 Sathupradit Road Bang Phongphang Subdistrict Yannawa, Bangkok 10120 Phone. 0-2294-3364	Manufacture and sale of chemicals	Common stock	1,000,000	999,997	100 %
2	Yci Syndicate Company Limited 633/14 Sathupradit Road Bang Phongphang Subdistrict Yannawa, Bangkok 10120 Phone. 0-2294-3365	Investment	Common stock	1,000,000	999,997	100 %
3	Krabi City Hotel and Resort Company Limited 1 Thung Fa Road, Pak Nam, Mueang, Krabi Phone. 0-7562-0028 Fax 0-7562-0047	Hotel and Resort	Common stock	19,500,000	3,705,000	19 %
4	Tha Thai Company Limited 52/3 Village No. 6, Suchai Road, Tha Sai, Mueang , Samut Sakhon Phone. 0-3481-6116 Fax 0-3442-5373	Manufacture and sale of chemicals	Common stock	1,200,000	168,000	14 %

Investors can learn more from the issuing company's annual statement.

(Form 56-1) Of the company as shown in www.sec.or.th



Business Overview

History

Founded in November 1974, Name's Yong Thai Chemical(Thailand) Company Limited to invest in various types of industrial chemical production and distribution businesses, registered as a public company in 1993 using the name : Yongthai Public Company Limited

In 2019 The company under the leadership of DR. KUNCHIT SINGSUWAN, Chairman of the Board of Directors And the main shareholder's MISS. WIPAKORN THANACHOKDECHKHAJORN, has continuously joined the business management until now, there are two main businesses, namely investing in manufacturing and distribution of various types of industrial chemicals under Yong Thai Public Company Limited. And investment in the student loan service business It is operated by World Education Loan Services Co., Ltd. under YCI Syndicate Company Limited (a subsidiary).

T AND T Leaders Company Limited, Thai subsidiary, manages, manufactures and markets a wide range of products and stop proceed in current.

Business Scope

Revenue Structure by businesses.

(Unit: Baht)

Product /Business Group	Operated By	% Holding Shares	1 Jan - 30 Jun, 2020	%	Ended 30 Dec 2019	%	Ended 30 Dec 2018	%
Zirconium Silicate	Yong Thai PCL.		5,987,546.00	100.00	11,217,557.60	100.00	34,125,986.52	100.00
PVC Stabilizer And lead oxide	T AND T Leaders Co., Ltd. (Currently Stop Operate)	100	-	-	-	-	-	-
Invesment	YCI Syndicate Co., Ltd.	100	-		-	-	-	-
total			5,987,546.00	100.00	11,217,557.60	100.00	34,125,986.52	100.00

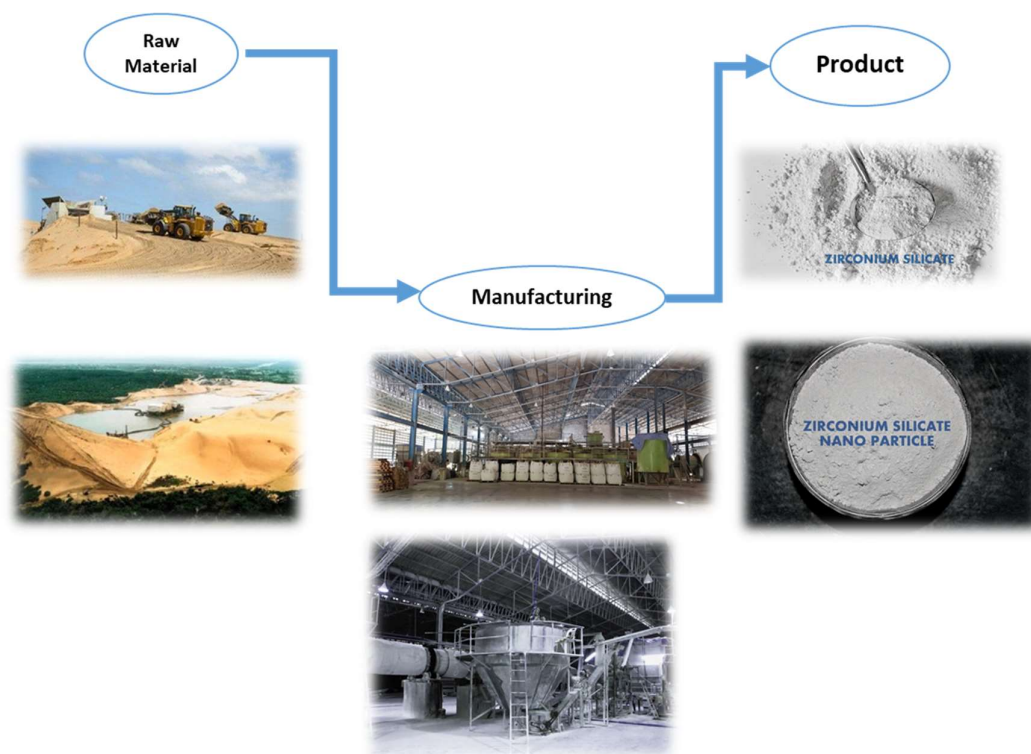
Product characteristics

Chemical Business

Yong Thai Public Company Limited is a manufacturer and distributor of Zirconium Silicate mainly for the ceramic industry. This is because the company has shut down all operations of its Samut Sakhon factory that used to produce water, acid, sulfur and precipitation accelerators as well as various forms of sulfur. And relocated zirconium silicate production machines to combine production at only one plant in Prachinburi province. The company started production at a factory in Prachinburi province in January 2017.

In addition, chemicals purchased for use as raw materials and sold are as follows:

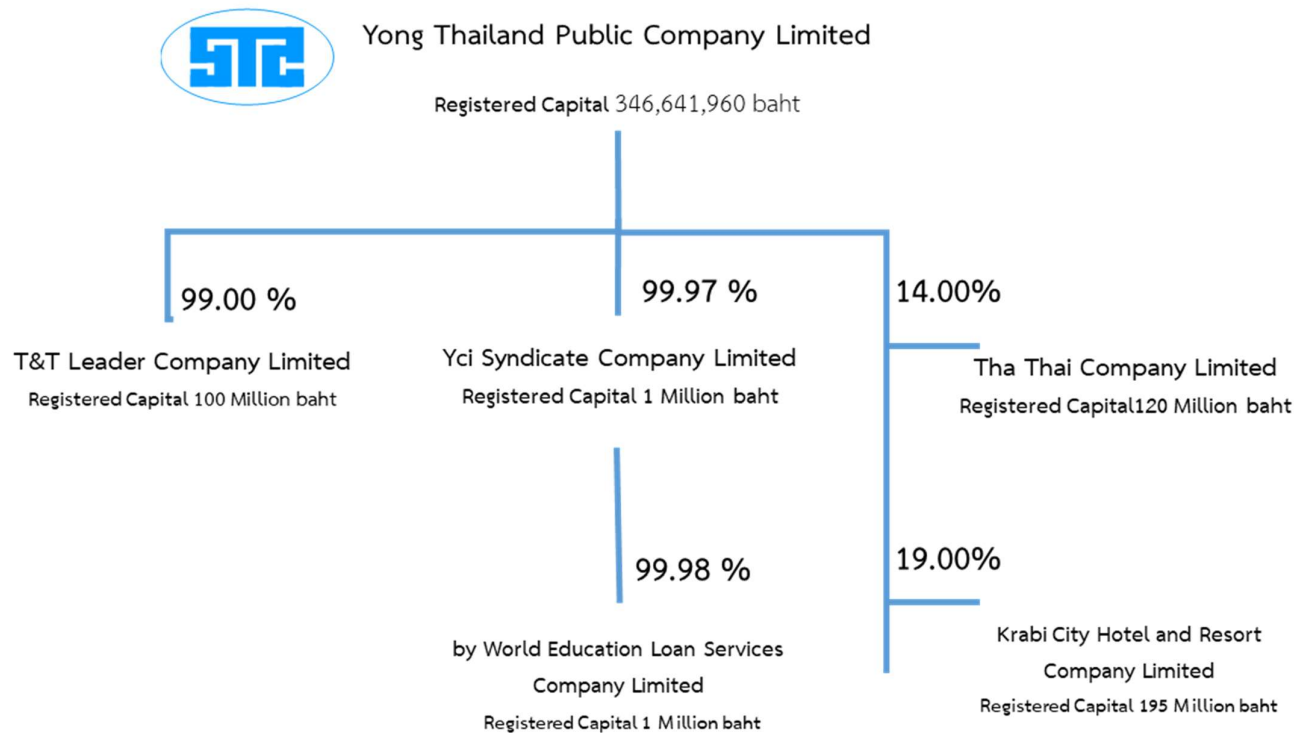
1. Zircon Sands sold to industrial ceramics and metal foundry
2. Aluminium Hydroxide as a raw material supplier, production alum and other chemicals.





Non - Chemical Business

YCI Syndicate Company Limited holds 99.98% stake in World Education Loan Services Co., Ltd. providing education loan service. For educational institutions in Thailand





Marketing and Competition

Marketing

Competition strategy

Business operation of The company Focus on customer satisfaction. Both in product quality and on time delivery In addition, The company has surveyed the product demand in the market. And plan the production accordingly Which The Company realizes and places great emphasis on The company has competitive strategies as follows:

Product

The company takes into account the quality and produces to meet the needs of customers. There are three grades of Zirconium Silicate to suit the use of each customer.

Product cost

The company has product cost management. To get a product with a reasonable cost By developing and improving work efficiency

Delivery period for products and services

The company attaches great importance to delivering products on time. And good after-sales service It is also a visualization. Trust And building a good relationship with customers As most customers are manufacturers, on time delivery of raw materials. Therefore is extremely important The company plans to facilitate the delivery of products carefully.

Target customers

Domestic customers are divided into 2 groups

- Manufacturer group, which is a major customer group.
- dealer customers Which is a small customer group

The Company has sold directly to industrial plants. The proportion of sales to the first 10 major customers per total sales in 3 years is as follows:

	(Unit: Thousand Baht)		
	2020 (1 Jan – 30 June)	2019 Ended 30 Dec.	2018 Ended 30 Dec.
The total value of sales for the first 10 customers.	4,295	11,210	32,920
Total sales	4,295	11,218	34,126
Proportion (%)	100	99.93	96.47



Industry Conditions And Competition

Industry Conditions

Manufacturing production index for June 2020 contracted less from the previous month. According to the production that improved in almost all categories. In particular, the automobile category, which this month, operators resumed more operations, resulting in a decrease in the production of the automobile category. And electrical appliances category which the shortage of imported raw materials eased, however, industrial production continued to contract strongly due to the same period last year, especially 1) automotive segment due to weak domestic and foreign demand 2) petroleum products category. From the reduction of production in accordance with the declining demand. Especially the demand for jet fuel. As a result of concerns over the COVID-19 epidemic, air travel activities have not. And 3) rubber and plastics category contracted in almost all product groups. Except for the production of latex and rubber gloves that continued to expand well. Because it has benefited from the outbreak of COVID-19 when eliminating seasonal factors. Manufacturing production increased from the previous month in almost all categories. Except for production of chemicals and materials. Slightly reduced construction (source of economic and financial reports) (June 2020, Bank of Thailand)

Competition

The current competitive nature of this type of industry has three companies that are domestic manufacturers, demand for goods is decreasing, but the production capacity remains the same, and the constant competition in the competition has resulted in fierce price competition. However, the Company continues to produce quality according to customer's needs in order to maintain its existing customer base. At present, the company has a small number of competitors, making it difficult for the Company to increase its market share.

Product Source

The company has a manufacturing plant located in Prachinburi. Factories in Samut Sakhon stopped production in 2016.

Currently having production capacity and capacity in the fourth quarter as follows:

	<u>2020</u> <u>(1 Jan – 30 June)</u>	<u>2019</u> <u>Ended 30 Dec.</u>	<u>2018</u> <u>Ended 30 Dec.</u>
Production Capacity (Tons/Year)	16.5	129	364
Total Capacity (Tons/Year)	2,400	2,400	2,400
Capacity Utilization Rate (%)	0.69	5.38	15.17

**The important raw materials are as follows:**

1. Sand Zircon is a mineral that exists in many countries such as Australia, South Africa and Vietnam, the company can supply raw material resources are sufficient for the production and distribution of the Company.
2. Aluminum hydroxide. this material resources in China, India, Japan, Korea, Vietnam and the ability to source and import them adequately.

Risk Factors**Risks from business operations****Fluctuation of raw material prices risk**

The major production costs are raw material costs. The price of raw materials fluctuates according to production volume and global market demand Transportation costs and foreign exchange rates fluctuate. However, The Company is able to source raw materials from multiple sources with stable delivery Because the company is a large manufacturer and has been in business for a long time. Resulting in lower risk of procurement

Dependence on major customers risk

Orders from major customers have decreased significantly. Make the company process the production order by notifying the customer about the production period and deliver the product within the time accepted by the customer The sales team has accelerated the market survey. Possible distribution channels Retail to reduce the risk of reliance on large customers Under the production cost and reasonable selling price .

Financial risk**Exchange risk**

Since almost all the raw materials of the company have to be imported from abroad. And by the nature of the raw materials and the duration of the import Causing the company to import large quantities at a time Therefore, there is a risk in the period of waiting for production and distribution.



Lack of liquidity risk

Since the company has increased capital by allocating the said newly issued ordinary shares to propose. Sell to the existing shareholders of the company According to the percentage of shareholding of each shareholder However, the company is still unable to achieve the objectives of the capital increase. Management has communicated the necessity of the capital increase to major shareholders to mitigate such risks. Moreover, negotiations with financial institutions that are creditors will continue to focus on maintaining business status for investors.

Legal Dispute

-None-

Assets Used in The Business

Buildings And Land

The head office

Located at 633/14 Satupradit road. Yannawa, Bangkok 10120

is the building on an area of 35 square two-meters.

(On January 8, 2020, The Company entered into an agreement to purchase and sell land and building with another person, selling value of 7 million baht and profit from asset sale of 0.06 million baht, registered company transferred the ownership of real estate held for sale to other person. On January 17, 2020)

Prachin Buri Province Factory

Located at 148 Moo 7, Suwansorn Road. Kham Tatd,

Prachantakham District, Prachin buri Province , consists of 6 major buildings, mortgage-taking land as collateral for loans with commercial banks.

Net Book Value 41,375,475 Baht



Company Investments

The company's invested in other businesses and provide details of investments in note to the financial statements No. 11, 12 and 13 pages 88-92 of this report.

Investment Property

The company has invested in the land and are valued as at June 30, 2020 in the notes to the financial statements at 14 pages 92 and 93 of this report.

In 2020 the company has commissioned the independent appraisal (Ktac Appraisal and Service Company Limited), the valuation of the company.

1. Land 18 rai 395 square two-meters.

Location	: Krabi Road, Paknam (SaiThai), Muang District, Krabi Province.
Land Ownership Holder	: Ownership with third parties, The Company is a total ownership of 20 parts in 100 sections.
Land of the company	: 3 rai 319 square two-meters.
Commitments	: No Commitments
Assessment objectives	: To the accompaniment of accounting
Rules and valuation methods	: Market Value Comparison Approach
Date of investigation and inspection of documents	: 28 August 2020
Date of valuation assets	: 21 August 2019
Market value of assets	: 174,685,000.00 Baht
Government appraisal	: 71,393,000.00 Baht
Market value of the property	
Company section	: 34,937,000.00 Baht
Government appraisal	: 14,278,600.00 Baht



Capital Structure

Registered Capital

Registered capital Issued and paid-up capital as of June 30, 2020

Registered Capital	Common stock 346,641,960 shares with a par value of 1 baht per share amount 346,641,960 baht
Registered capital Issued and paid-up capital	Common stock 115,547,320 shares with a par value of 1 baht per share amount 115,547,320 baht

Shareholders

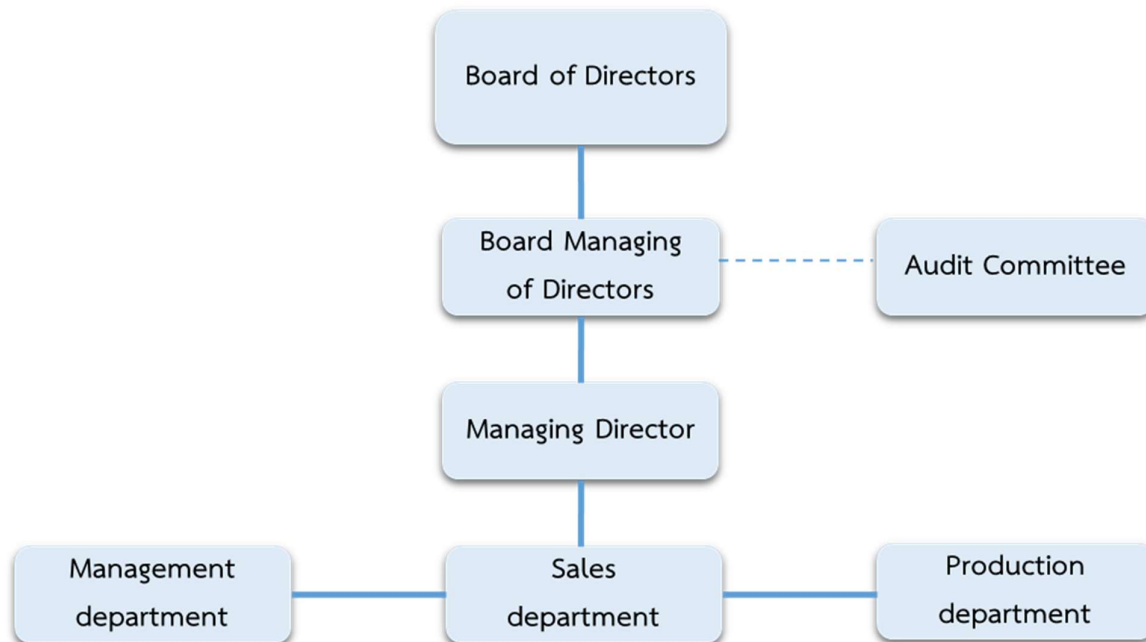
Shareholders in the last 5 years has changed the shareholding significantly affects the power to manage the company. There is a list of top 10 major shareholders according to the list of shareholders at June 30, 2019 as follows:

	Name / Surname	Number Of Shares	Shares(%)
1	Miss Wipakorn Thanachokdechkhajorn	23,563,920	20.39
2	Material Pro Company Limited	23,520,000	20.36
3	WI Capital Company Limited	11,781,960	10.20
4	Mr.Isres Chalermrut	6,387,000	5.53
5	Mrs.Akjitra Sunthornpornlert	5,258,730	4.55
6	Mr. LA STEPHANE	5,220,000	4.52
7	Mr. Weerasak Cheochanapinyo	3,550,000	3.07
8	Mr.Charnvit Vittayaamnuykoon	3,400,000	2.94
9	Mrs. Luck Thanathaweephon	3,400,000	2.94
10	Mr.Kriangkrai Siravanichkan	2,900,000	2.51

Dividend Policy

Company Policy is to pay dividends at a rate of about 75 percent. The dividend payment will have no impact on the financial position and operations of the company.

Management Structure





Corporate Governance

Good Corporate Governance Compliance Report

The Board has a policy to support corporate governance. Which covers the following key principles as follows:

1. Treatment of shareholders and stakeholders equally fair to all parties
2. The Commission is committed to add value to the business over the long term. Managed with prudence and caution. Responsible for duties with competence and adequate performance to maximize shareholder value. Supervise the issue of conflict of interests and responsible decisions of their actions.
3. The operation is to be transparent can be checked Adequate disclosure to all parties concerned.
4. Taking into account the business risk is always there to control and manage risk appropriately.
5. The company has established business ethics for directors and employees to comply with it.

Shareholder rights

Board of Directors Give importance to the rights of shareholders The company has operated in accordance with the corporate governance policy. Taking into account the rights of shareholders as follows:

Shareholder structure

Shareholding Structure between the Company With subsidiaries is clear and transparent The names are disclosed. The number and percentage of shareholding of the major shareholders of the parent company and its subsidiaries are provided in Form 56-1 and the annual report.

Promoting the exercise of shareholders' rights

The company has a process to maintain and protect the rights of shareholders. From the process of setting up the good corporate governance policy Taking into account the rights of shareholders And encourage shareholders to exercise such rights And the basic rights of shareholders after trading securities The right to receive dividends By providing supervision and coordination between the shareholders and the company registrar. Thailand Securities Depository Co., Ltd. - TSD as well as organizes a department to be responsible for answering inquiries and facilitating the shareholders in registrations and promoting and encouraging shareholders to play a role in the



meeting. Shareholder Since the right to attend the meeting The right to vote and express opinions To allow shareholders to participate in the consideration of important matters. The Company also has a policy to facilitate and encourage shareholders including institutional investors to attend shareholders' meetings, to facilitate exercise of the rights to attend shareholders' meetings.

The company facilitates the shareholders to attend the meeting and to fully exercise their rights to attend the meeting. Not doing anything To limit the opportunity to attend the meeting There is a management system that promotes and supports the exercise of shareholders' rights from the day before the shareholders' meeting. Shareholders meeting date And after the meeting of shareholders By adhering to the principles and following the guidelines in the "AGM Checklist" manual set by the Thai Investors Association. Listed Companies Association and the SEC

Equality of shareholders

The company maintains rights and treats all shareholders with equality in all aspects. Be it a large minority shareholder, institutional investor, Or foreign shareholders such as

1. The company has independent directors. In charge of taking care of minority shareholders.
2. Meeting of shareholders. The company has prepared a proxy form for shareholders who wish to authorize others to attend the meeting on their behalf. Has chosen to appoint a particular person or a chairman or director of any one exercise instead of
3. The Company has taken measures to prevent the unlawful use of inside information of the individual concerned. By determining the person who has the authority to disseminate information And prohibit persons involved, such as the board of directors, executives, employees related to the information, including their spouses and children. Trade in company securities until all of that information is made public.

Disclosure of information and transparency

The company has required the disclosure of information of the company to investors, shareholders and the general public Is the power of the chairman of the board Managing Directors and Executives who have been assigned to replace

Company information dissemination Both the relevant financial and non-financial information Contains all important material Reliable and timely Both Thai and English Through the SET and the Website of the Company's compliance with laws, rules and regulations imposed by various authorities strictly all such

- published information is accurate, complete, timely information and financial. Non-financial information.
- Disclosure of interests of directors, management and related parties in the event of a stake in the Company



- Preparation of the Board of Directors' report in the past year.
- Disclosure of remuneration of directors received in the past year Including the form, nature and amount of compensation each person receives information through the Stock Exchange of Thailand. The company has always strictly complied with the laws, rules and regulations stipulated by various agencies such as:
 1. Disseminate accurate, complete and timely information including financial information and non-financial information
 2. the information about the interests of directors, executives and others involved in the case related to the company's stakeholders
 3. the report of the committee in the coming years
 4. disclosure. Directors' remuneration received in the past year Including the form, nature and amount of compensation that each person receives

Board Responsibility

Board of Directors (Details page 5-10)

Board of Directors It is the main of good corporate governance. Which must consist of people with knowledge Expertise And experiences that can benefit the company It also consists of directors with knowledge and abilities in other fields such as finance, economics, law, etc. And qualifications of company directors Including the appointment and removal of directors that must be approved by the shareholders.

The company has a balance of non-executive directors. Without any person Or any group of people has the power to make decisions, only one person or group in order to create a counterbalance mechanism and make the management more efficient.

The company has a total of 6 directors of the company, 3 are executive directors, 3 are non-executive directors (3 are independent directors) and 3 are audit / independent directors. The company has 3 independent directors. Accounted for 50 percent of all directors. The Committee deems it a suitable component. Executive Directors can provide in-depth opinions. Non-executive directors are industry experts. Make the opinions expressed at the board meetings be constructive. Board decisions are based on the overall interests of the company.



Remuneration of the Board of Directors

The company has considered to pay the appropriate compensation to the board of directors. It was proposed for approval from the general meeting of shareholders to pay remuneration to the Board of Directors as a director. For details on remuneration are set out on page 82 of this report,

Policy Governance

The Board of Directors has established a written corporate governance policy since 2003 and has always been a practice guideline.

Supervision on the use of inside information and conflicts of interest

The company has complied with various regulations of the Securities and Exchange Commission. And the Stock Exchange of Thailand strictly And give importance to the supervision of the use of inside information And if there is a list Conflicts of Interest of Stakeholders The company will consider prudently and fairly and disclose such information clearly for the benefit of the shareholders as a whole.

Internal control

The Board of Directors is of the view that the internal control system of the Company and its subsidiaries They are efficient enough and suitable for the operations of the Company and its subsidiaries.

Corporate Governance of the Audit Committee

The audit committee of the company that performs each duty. It is not an officer or employee of the company.

Year 2020, the Audit Committee held a meeting to audit and supervise the administration on behalf of the Board of Directors regarding the quarterly financial statement preparation process. Annual financial statements and annual reports.

The Audit Committee discussed and exchanged views on the Consolidated Financial Statements. Accounting Standards and Audits Results of the audit, review and assessment of the adequacy of the internal control system and the overall quality of the Company's financial reports together with the auditor and the internal auditor.



In addition, the Audit Committee has considered proposing to appoint auditors to the Board of Directors to nominate auditors to the shareholders' meeting. The audit committee exchanged views with the auditors and the internal auditors on the scope of audit responsibilities and audit plans.

Social responsibility

The company has long focused on the concept of corporate social responsibility. And is an important way of conducting business The Company's various activities take into account the impacts that will have on the Company, society and the environment, which will help the business operation to be successful and lead to the sustainability of the company.

Environment and safety

The company realizes the importance of environment and safety. The company has the following actions:

1. The company has adjusted the production process to reduce water consumption. And no use of chemicals makes it possible to Recycle to be reused in the entire process Small amount of water coming out of the production system. The company has a pond and wastewater treatment to meet the standard. And there is no impact on the environment.
2. The company hires a control engineer according to the law. To inspect and certify devices
3. The company has trained a fire protection system for employees
4. Social and community around the company. The company offers scholarships and support in organizing the school day with kids in the neighborhood, the company regularly every year
5. cooperate with government agencies in various activities such as drug prevention.



Stakeholders

The Company has committed fair responsibility to all stakeholders for mutual benefit and equality, shareholders, employee, business relationships, customers, partners, trade competitors and creditors as follows:

shareholders	: as shown in the rights of shareholders.
employee	: The Company has always focused on the company's personnel. It focuses on health, safety, health Work environment, employee compensation The Company also provides provident funds to take care of employees in the long term.
customers	: The Company has always focused on customers by promoting and maintaining the company's product quality standards as well as sustainable service and business relations with customers.
partners	: The Company strictly adheres to the contracts and requirements made to all business partners.
trade competitors	: The company operates a business based on law and ethics. Competition is good faith. In the past year, The company does not have any dispute in regards to competitors.
creditors	: Compliance with the terms and conditions carefully. Throughout the various duties towards the creditors.
Social	: The Company aims to support activities to promote local social quality where the company is located by cooperating and supporting the activities of the school and local administration organizations.



Management Analysis and Description

At the end of the accounting period as at June 30, 2020. The Company's revenue from sales decreased to Baht 5.98 million. The Company's cost of sales was Baht 6.78 million. The Company also had additional selling and administrative expenses of Baht 20.48 million. As a result, the Company had total loss for the year of Baht 24.02 million.

In 2020, the asset was Baht 119.14 million. YCI Syndicate Co., Ltd., a subsidiary of Company, has invested in World Education Loan Services and the down on inventories resulting from the impact of COVID 19 situation that prevented us from importing raw materials.

In terms of the company's financial ratio analysis,

The company's liquidity ratio has been reduced to 0.25 times. -13.30%

debt-to-equity ratio decreased to 0.53 times.

Which shows the company's liquidity outlook improved due to the fact that inventories are classified as current assets with very little liquidity. Therefore, considering the company's ability to pay short-term liabilities without bringing in inventories, it will make the value clearer. In 2020 and 2019,

The Company's liquidity ratio was 0.41 times and 0.01 times, respectively. As a result, the COVID-19 outbreak directly affects the import of raw materials of the Company for sale, resulting in a decrease in sales. The Bank of Thailand estimates that the growth rate for the 2020 economy will decrease from -5.3% to -8.1%, causing overall market uncertainty. The Company has adapted to support the situation by considering investing in the educational loan business. Under the subsidiary of YCI Syndicate Co., Ltd., the Company continues to consider capital increase, providing joint ventures as an extension of new business in the future, which will encourage the Company to return strongly.



Financial Status and Performance

Financial Status

Summary of financial statements of the Company and its consolidated subsidiaries during the past 3 years.

STATEMENTS OF COMPREHENSIVE INCOME	Consolidated financial statements						Separate financial statements					
	2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)		2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenues												
Revenues from sales	34,126	87.10	11,218	98.54	5,987	98.21	34,126	87.10	11,218	98.54	4,290	91.06
Other income	5,053	12.90	166	1.46	109	1.79	5,053	12.90	166	1.46	421	8.94
Total Revenue	39,179	100.00	11,384	100.00	6,096	100.00	39,179	100.00	11,384	100.00	4,711	100.00
Expense												
Cost of sales	27,997	71.46	10,181	89.43	6,783	111.27	27,997	71.46	10,181	89.43	6,675	141.69
Selling expenses	23,895	60.99	678	5.96	266	4.36	23,753	60.63	678	5.96	266	5.65
Administrative expenses	-	-	53,371	-	6,454	105.87	0	-	53,310	468.29	5,120	108.68
Loss from purchases of investments in subsidiary					2,783	45.65						0.00
Finance costs	1,620	4.13	1,875	16.47	895	14.68	2,170	5.54	2,450	21.52	1,623	34.45
Loss for the period from continuing operations	(14,333)	(36.58)	(54,722)	(480.69)	(11,085)	(182)	(14,741)	(37.62)	(55,235)	(485.20)	(8,973)	(190)
Loss for the period from discontinued operations.	-	-	-	-	-	-	-	-	-	-	-	-
Loss before income tax expense	(14,333)	(36.58)	(54,722)	(480.69)	(11,085)	(181.84)	(14,741)	(37.62)	(55,235)	(485.20)	(8,973)	(190.47)
Tax income	(507)	(1.29)	11,651	102.35	597	9.79	(420)	(1.07)	11,754	103.25	665	14.12
Loss for the year	(14,840)	(37.88)	(43,071)	(378.35)	(10,488)	(172.05)	(15,161)	(38.70)	(43,481)	(381.95)	(8,308)	(176.35)
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	(14,840)	(37.88)	(43,071)	(378.35)	(10,488)	(172.05)	(15,161)	(38.70)	(43,481)	(381.95)	(8,308)	(176.35)



BALANCE SHEET	Consolidated financial statements						Separate financial statements					
	2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)		2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
ASSETS												
Current assets												
Cash and cash equivalents	142	0.08	179	0.17	4,776	3.60	76	0.04	157	0.12	3,613	2.20
Short-term loans to related companies											39,438	24.01
Short-term loans to other person					1,000							
Trade and other receivables	4,373	2.47	762	0.74	619	0.47	4,371	2.11	760	0.57	1,932	1.18
Inventories	911	0.51	3,985	3.87	547	0.41	911	0.44	3,985	3.01	547	0.33
Property held for sale					6,937	5.23					6,937	4.22
Trade accounts and notes receivable	3,145	1.77					3,145	1.52				
Total current assets	5,426	3.06	11,864	11.51	7,065	5.33	5,358	2.59	11,864	8.95	45,633	27.78
Non-current assets												
Educational loan receivables					37,225	28.08						
Investment in subsidiaries							29,500	14.27	29,500	22.26	30,500	18.57
General investment	16,800	9.47	16,800	16.31	16,000	12.07	16,800	8.12	16,800	12.68	16,000	9.74
Investment property	101,130	57.02	30,759	29.85	30,759	23.20	101,130	48.90	30,759	23.21	30,759	18.72
Property, plant and equipment	52,524	29.61	41,729	40.50	41,493	31.30	52,524	25.40	41,729	31.49	41,375	25.18
Other non-current assets	1,482	0.84	1,879	1.82	16	0.01	1,482	0.72	1,879	1.42	16	0.01
Total non-current assets	171,936	96.94	91,169	88.49	125,494	94.67	201,436	97.41	120,669	91.06	118,651	72.22
Total assets	177,362	100.00	103,033	100.00	132,559	100.00	206,794	100.00	132,509	100.00	164,285	100.00
Liabilities and shareholders' equity												
Current liabilities												
Bank overdrafts and short-term loans from	29,660	16.72	24,790	24.06	22,265	16.80	29,660	14.34	24,790	18.71	22,265	13.55
Trade and other payables	3,588	2.02	1,657	1.61	2,868	2.16	4,211	2.04	2,785	2.10	4,806	2.93
Short-term loans from director	2,000	1.13					2,000	0.97				
Short-term loans from subsidiary					2,200	1.66	48,700	23.55	48,700	36.75	50,900	
Long-term loans from other person					1,122	0.85						
Income tax payable	1,747		51		350	0.26	1,747					
Total current liabilities	35,248	19.87	26,498	25.72	28,805	21.73	84,571	40.90	76,275	57.56	77,971	47.46
Non-current liabilities												
Provisions for employee benefit	12,932	7.29	8,543	8.29	1,799	1.36	12,932	6.25	8,543	6.45	1,799	1.10
Deferred tax liabilities	24,242	13.67	11,893	11.54	10,547	7.96	24,242	11.72	11,893	8.98	11,227	6.83
Total non-current liabilities	37,174	20.96	20,436	19.83	12,346	9.31	37,174	17.98	20,436	15.42	13,027	7.93
Total liabilities	72,422	40.83	46,934	45.55	41,151	31.04	121,745	58.87	96,711	72.98	90,998	55.39
Shareholders' equity												
Share capital												
Authorized share capital												
21,000,000 ordinary shares in period 2020 and 7,000,000 ordinary shares												
in year 2019, Baht 10 par value	70,000		70,000		115,547		70,000		70,000		115,547	
Issued and paid-up share capital												
11,554,732 ordinary shares, in period 2020 and 7,000,000 ordinary shares.,												
In year 2019, fully paid-up	70,000	39.47	70,000	67.94	115,547	87.17	70,000	33.85	70,000	52.83	115,547	70.33
Premium on share capital	115,000	64.84	115,000	111.61	115,000	86.75	115,000	55.61	115,000	86.79	115,000	70.00
Advance received for ordinary shares					251						251	
Retained earnings (deficit)												
Appropriated - legal reserve	7,000	3.95	7,000	6.79	7,000	5.28	7,000	3.39	7,000	5.28	7,000	4.26
Deficits	(116,404)	(65.63)	(162,865)	(158.07)	(173,354)	(130.77)	(136,295)	(65.91)	(183,166)	(138.23)	(191,474)	(116.55)
Other components of shareholders' equity	26,964	15.20	26,964	26.17	26,964	20.34	26,964	13.04	26,964	20.35	26,964	16.41
Total shareholders' equity	131,904	74.37	56,099	54.45	91,408	68.96	85,049	41.13	35,798	27.02	73,288	44.61
Total liabilities and shareholders' equity	204,326	115.20	103,033	100.00	132,559	100.00	206,794	100.00	132,509	100.00	164,286	100.00



Financial Ratio	Consolidated financial statements						Separate financial statements					
	2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)		2018 (31 Dec 18)		2019 (31 Dec 19)		2020 (30 Jun 20)	
Current ratio												
Current ratio	0.15	times	0.45	times	0.25	times	0.06	times	0.16	times	0.59	times
Quick ratio	0.00	times	0.01	times	0.41	times	0.00	times	0.00	times	0.14	times
Cash flow ratio	(0.45)	times	(0.50)	times	(0.56)	times	(0.19)	times	(0.19)	times	(0.20)	times
Receivables Collections	6.20	times	3.97	times	9.82	times	6.20	times	3.97	times	4.96	times
Average collection period	58	days	91	days	37	days	58	days	91	days	73	days
Inventory Turnover	9.56	times	4.16	times	2.99	times	9.56	times	4.16	times	2.95	times
Inventory conversion period	38	days	87	days	120	days	38	days	87	days	122	days
Account Payable Period	11.06	times	3.88	times	3.00	times	11.06	times	3	times	1.76	times
Repayment period	33	days	93	days	120	days	33	days	124	days	205	days
CASH CYCLE	63	days	85	days	37	days	63	days	54	days	- 10	days
Profit Ability Ratio												
Gross Profit	17.96	%	9.24	%	(13.30)	%	17.96	%	9.24	%	(55.59)	%
Net Profit	(37.88)	%	(378.35)	%	(172.05)	%	(38.70)	%	(381.95)	%	(176.35)	%
Return on Common Equity	(13.21)	%	(45.82)	%	(14.22)	%	(16.37)	%	(71.96)	%	(15.23)	%
Performance ratio												
Return on Total Asset	(8.16)	%	(30.72)	%	(8.90)	%	(7.21)	%	(25.63)	%	(5.60)	%
Fixed Asset Turnover	(25.55)	%	(88.72)	%	(22.17)	%	(26.16)	%	(89.59)	%	(16.96)	%
Total Asset Turnover	0.22	times	0.08	times	0.05	times	0.19	times	0.07	times	0.03	times
Financial Policy Analysis Ratio												
Debt per Equity Ratio	0.69	times	0.84	times	0.45	times	1.43	times	2.70	times	1.24	times
Time Interest Earning Ratio	(7.91)	times	(13.18)	times	(16.92)	times	(5.92)	times	(10.10)	times	(8.92)	times
Debt service coverage ratio	(0.31)	times	(1.61)	times	(0.32)	times	(0.12)	times	(0.56)	times	(0.08)	times
Cash Basis	(373.55)	times	(373.55)	times	(386.03)	times	(386.03)	times	(386.03)	times	(386.03)	times
Dividend ratio	-	%	-	%	-	%	-	%	-	%	-	%
B/V per Share	14.99	baht	8.01	baht	0.79	baht	12.15	baht	5.11	baht	0.63	baht
Loss per Share	(2.12)	baht	(6.15)	baht	(0.09)	baht	(2.17)	baht	(6.21)	baht	(0.07)	baht
Dividend per Share	-	baht	-	baht	-	baht	-	baht	-	baht	-	baht
Total Asset	(4.72)	%	(41.91)	%	28.66	%	(3.29)	%	(35.92)	%	23.98	%
Total Liabilities	9.13	%	(35.19)	%	(12.32)	%	7.16	%	(20.56)	%	(5.91)	%
Sales Revenue	(24.05)	%	(67.13)	%	(46.63)	%	(24.05)	%	(67.13)	%	(61.76)	%
Operating Expenses	(4.43)	%	(89.99)	%	(54.52)	%	(4.13)	%	(87.93)	%	(39.61)	%
Net Loss	18.38	%	190.24	%	(75.65)	%	16.94	%	186.80	%	(80.89)	%

**Information of subsidiaries**

Company Name	:	T&T Leader Company Limited
Company Registration Number	:	0105532064210 (old number 6421/2532)
Business	:	Manufacture and sale of chemicals
Accounting Period	:	1 JULY - 30 JUNE
Head Office	:	633/14 Satupradit Road. Yannawa, Bangkok
Phone	:	0-2294-3364
Registered Capital	:	100,000,000.00 Baht
Paid up Capital	:	65,000,000.00 Baht
Par Value	:	100 Baht

Board of Directors

1. MR. LA STEPHANE
2. MR. PRASERTSAK SUWANPOTIPRA
3. MISS MONTHA SUPHARERKCHARTKUN
4. MR. LA CHARLES



Summary of financial status and operating results of subsidiaries

T&T Leader Company Limited

(Unit: Thousand Baht)

	<u>2020</u> <u>(1 Jan – 30 Jun)</u>	<u>2019</u> <u>Ended 30 Dec</u>	<u>2018</u> <u>Ended 30 Dec</u>
Total Assets	50,655	49,912	49,561
Total Liabilities	303	111	171
Shareholders' Equity	50,352	49,801	49,390
Sales Revenue	-	-	-
Total Revenue	728	574	551
Gross Profit	-	-	-
Net Profit (Loss)	551	410	321

**Information of subsidiaries**

Company Name	:	YCI Syndicate Company Limited
Company Registration Number	:	0105563056146
Business	:	Investment
Accounting Period	:	1 JULY - 30 JUNE
Head Office	:	633/14 Satupradit Road, Yannawa, Bangkok
Phone	:	0-2294-3364
Registered Capital	:	1,000,000.00 Baht
Paid up Capital	:	1,000,000.00 Baht
Par Value	:	100 Baht

Board of Directors

1. MISS WIPAKORN THANACHOKDECHKHAJORN



Summary of financial status and operating results of subsidiaries

YCI Syndicate Company Limited

(Unit: Thousand Baht)

	<u>2020</u>
Total Assets	2,029
Total Liabilities	1,079
Shareholders' Equity	949
Sales Revenue	-
Total Revenue	0.02
Gross Profit	-
Net Profit (Loss)	(50)

**Information of concerned**

Company Name : World Education Loan Service Company Limited

Company Registration Number : 0135561000224

Business : Investment

Accounting Period : 1 JULY - 30 JUNE

Head Office : 633/14 Satupradit Road, Yannawa, Bangkok

Phone : 0-2294-3364

Registered Capital : 1,000,000.00 Baht

Paid up Capital : 1,000,000.00 Baht

Par Value : 100 Baht

Board of Directors

1. MISS WIPAKORN THANACHOKDECHKHAJORN



Summary of financial status and operating results of subsidiaries

World Education Loan Service Company Limited

(Unit: Thousand Baht)

	<u>2020</u>
Total Assets	40,140
Total Liabilities	41,819
Shareholders' Equity	(1,679)
Sales Revenue	1,184
Total Revenue	2,139
Gross Profit	1,131
Net Profit (Loss)	(788)



Details about executives and controlling persons

The tenure of the executives and control of the Company, subsidiaries, affiliates and related companies.

Name	Company	Subsidiaries	Affiliates	Related Companies	
				1	2
1. MR. KUNCHIT SINGSUWAN	X				
2. MISS BANG-ON PHUMCHAI	//				
3. MISS WIPAKORN THANACHOKDECHKHAJORN	//	/	/		/
4. MISS JERMSIRI LERDCHAITAT	//	/	/		
5. MR. VIPAS THONGSUDDHI	/				
6. MR. CHOTJUTA AJSORN	/				

The Symbol Meaning : X = CHAIRMAN OF THE BOARD OF DIRECTORS
 // = BOARD OF MANAGING DIRECTORS
 / = DIRECTORS

Subsidiaries : T & T Leader Co., Ltd.
 : YCI Syndicate Co., Ltd.

Affiliates : Krabicity Hotel and resort Co., Ltd.

Related Companies : 1. Tha Thai Co., Ltd.
 2. World Education Loan Service Co., Ltd.



Related Parties Transactions

The Company has business transactions with related parties. The nature and details are presented in Note 4 to the financial statements, page 78-82 of this report.

Auditor And Compensation

Auditor

Mr. Bunjong Pichayaprasat from Siam Truth Audit Company Limited, Certified Public Accountant No. 7147, is an approved auditor for the Company's financial statements and consolidated financial statements. The auditor has provided an opinion in the unconditional audit report.

Compensation

The Company and its Subsidiaries Pay the audit fee to SP Audit Company Limited which is the auditing firm that the auditors for the year 2020 (1 January – 31 December) are in the total amount of 630,000 baht, belonging to the company in the amount of 570,000 baht and The subsidiaries totaling 60,000 baht. The Company and its subsidiaries.

Pay the audit fee to Siam Truth Audit Company Limited, which is the audit firm that the auditor for the year 2020 (1 July- 30 June) is affiliated, totaling 550,000 baht.

Non-Audit Fee

-None -



The Auditor's Report

Dear All Shareholders,

The Audit Committee of the Yong Thai Public Company Limited, each member are not officer or employee of the Company. The Independent Committee consists of 3 members.

MR. KUNCHIT SINGSUWAN	CHAIRMAN OF THE AUDIT COMMITTEE
MR. VIPAS THONGSUDDHI	AUDIT COMMITTEE
MR. CHOTJUTA AJSORN	AUDIT COMMITTEE

In 2020, the Audit Committee held a meeting to review and supervise the management in accordance with good corporate governance principles. Compliance with laws and regulations related to business operations Consider the process of preparing quarterly financial statements. Annual financial statements and annual reports

The Audit Committee had discussions and exchanged views on the consolidated financial statements. Accounting standards Financial Reporting Standards and Audits Conclusion of the audit Reviewing and assessing the adequacy of the internal control system And the total quality of The Company's financial report together with the auditor.

To consider and select the auditor. The Audit Committee has considered and proposed the appointment of The Auditor to the Board of Directors to nominate the auditor to the shareholders' meeting based on knowledge, experience, indd the appointment of Mr.Bunjong Pichayaprasat C.P.A. (Thailand) No. 7147 and/or Mr. Kraisit Silapamongkonkul C.P.A. (Thailand) No. 9429 and/or Ms.Khemmanun Jaichuen C.P.A. (Thailand) No. 8260 and/or Dr.Sirada Jarutakanon, C.P.A. (Thailand) No. 6995 from Siam Truth Audit Company Limited is the Company's auditor.

In considering the selection of internal auditors, the Audit Committee Meeting No. 2/2020 on June 30, 2020 appointed Mr. Teerapat Kamonkatiwattana to be the Company's internal auditor. And commencing from 1 July 2020 onwards.

The Audit Committee has exchanged views with the auditor and the internal auditor regarding the scope of responsibility of the audit. Audit plan and risk assessment.

MR. KUNCHIT SINGSUWAN

CHAIRMAN OF THE AUDIT COMMITTEE

Bangkok

on September 30, 2020



AUDITOR'S REPORT

To the Board of Directors of Yong Thai Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statement of Yong Thai Public Company Limited and its subsidiaries ("the Group") and of Yong Thai Public Company Limited ("the Company"), respectively, which comprise the consolidated and separate statement of financial position as at June 30, 2020, the consolidated and separate statement of comprehensive income, changes in shareholders' equity and cash flows for the period from January 1, 2020 to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Yong Thai Public Company Limited and its subsidiaries and of Yong Thai Public Company Limited as at June 30, 2020, and their consolidated and separate financial performance and cash flows for the period then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

As described in notes 3 and 15 to the financial statement, the Group has operating losses for the period from January 1, 2020 to June 30, 2020 which is in the consolidated financial statements of Baht 24.02 million and in the separate financial statements of Baht 22.48 million. During the period 2020, the Company is in the process of negotiation for the loan repayment relief from the financial institution which the Group's ability to continue as a going concern



depends on their future business operation plan. Those circumstances indicate the existence of a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern.

I draw attention to note 2 to the financial statements, the Group has prepared the financial information for the period from January 1, 2020 to June 30, 2020, by applying the adoption of Accounting Guidance announced by the Federation of Accounting Professions regarding to the temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation.

My unqualified opinion to the financial information does not relate to the matters which I draw to attention above.

Other matter

The consolidated and separate statement of financial position as at December 31, 2019, the consolidated and separate statement of comprehensive income, changes in shareholders' equity and cash flow of Yong Thai Public Company Limited and its subsidiaries and of Yong Thai Public Company Limited for the year then ended, presented herein as comparative information, were audited by another auditor whose report dated February 27, 2020 expressed an unmodified opinion and emphasis of matter of uncertainty related to going concern.

I draw attention to note 2 to the financial statements, the Company changed their accounting period from ending on December 31st to ending on June 30th. Consequently, the statement of comprehensive income, changes in shareholders' equity and cash flow for the period ended June 30, 2020 present for only six-month period whereas the comparative information presented for the twelve-month period information ended December 31, 2020 effecting that the information presented in such period are not comparable.

Key Audit Matters

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



<i>The key audit matter</i>	<i>Audit procedures</i>
<p>Allowance for expected credit losses on educational loan receivables</p> <p>The Group has an educational loan receivables in the amount of Baht 37.97 million, which the estimation of allowance for expected credit losses on educational loan receivables is based on determining the payment ability of the receivable and the net realizable value due to the management's judgment used in the estimation and the risk of liability default may significantly impact on the financial statements.</p> <p>I have identified allowance for expected credit losses on educational loan receivables to be the key audit matters as its high value is significant to the financial statements.</p>	<p>My audit procedures include :</p> <ul style="list-style-type: none"> - Understanding and assessing the appropriateness of accounting policies and the assumptions applying in the estimation of allowance for expected credit losses on educational loan receivables; - Test design and effectiveness of controls involved in determining the estimation of allowance for expected credit losses; - Sampling to verify the accuracy of overdue aging report of receivables; - Sampling to verify the appropriateness of the probability of default of the receivable, actual loss rate and allowance for expected credit losses; - Calculation test of allowance for expected credit losses at the end of the reporting period by sampling test the data used in calculation of the allowance for expected credit losses on educational loan receivables, stage of receivables and subsequent receipt after the reporting period.

Other Information

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



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

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

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

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

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

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

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

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

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



could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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



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

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

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

(Bunjong Pichayaprasat)

Certified Public Accountant

Registration Number 7147

Siam Truth Audit Company Limited

Bangkok, September 30, 2020



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Baht

	Note	Consolidated financial statements		Separate financial statements	
			December 31,		December 31,
		June 30, 2020	2019	June 30, 2020	2019
Assets					
Current assets					
Cash and cash equivalents	5	4,776,440	178,870	3,613,274	156,847
Short-term loans to related companies	4	-	-	39,438,878	-
Short-term loans to other person	6	1,000,000	-	-	-
Trade and other receivables	4, 7	619,530	436,560	1,932,502	436,560
Inventories	8	547,228	3,985,223	547,228	3,985,222
Property held for sale	10	-	6,937,477	-	6,937,477
Other current assets		122,003	334,769	101,989	332,810
Total current assets		7,065,201	11,872,899	45,633,871	11,848,916
Non-current assets					
Educational loan receivables	9	37,225,043	-	-	-
Investment in subsidiaries	11	-	-	30,500,000	29,500,000
General investment	13	16,000,000	16,800,000	16,000,000	16,800,000
Investment property	14	30,759,750	30,759,750	30,759,750	30,759,750
Property, plant and equipment	15	41,493,210	41,729,833	41,375,475	41,729,833
Other non-current assets		16,353	1,870,275	16,353	1,870,275
Total non-current assets		125,494,356	91,159,858	118,651,578	120,659,858
Total assets		132,559,557	103,032,757	164,285,449	132,508,774
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and					
Short-term loans from financial					
institutions	16	22,264,660	24,789,730	22,264,660	24,789,730
Short-term loans from related parties	4	2,200,000	-	50,900,000	48,700,000
Long-term loans from other person	18	1,122,000	-	-	-
Trade and other payables	4, 17	2,864,585	1,649,904	4,801,687	2,777,637
Income tax payable		349,964	50,769	-	-
Other current liabilities		3,863	7,569	3,863	7,569
Total current liabilities		28,805,072	26,497,972	77,970,210	76,274,936



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Next)

AS AT JUNE 30, 2020

Baht

	Note	Consolidated financial statements		Separate financial statements	
			December 31,		December 31,
		June 30, 2020	2019	June 30, 2020	2019
Non-current liabilities					
Provisions for employee benefit	19	1,799,698	8,543,004	1,799,698	8,543,004
Deferred tax liabilities	20	10,546,511	11,892,980	11,227,980	11,892,980
Total non-current liabilities		12,346,209	20,435,984	13,027,678	20,435,984
Total liabilities		41,151,281	46,933,956	90,997,888	96,710,920
Shareholders' equity					
Share capital	23				
Authorized share capital					
21,000,000 ordinary shares in period 2020					
and 7,000,000 ordinary shares		115,547,320	70,000,000	115,547,320	70,000,000
in year 2019, Baht 10 par value					
Issued and paid-up share capital					
11,554,732 ordinary shares, in period 2020					
and 7,000,000 ordinary shares.,		115,547,320	70,000,000	115,547,320	70,000,000
in year 2019, fully paid-up					
Premium on share capital		115,000,000	115,000,000	115,000,000	115,000,000
Advance received for ordinary shares	23.3.4	251,064	-	251,064	-
Retained earnings (deficit)					
Appropriated - legal reserve	21	7,000,000	7,000,000	7,000,000	7,000,000
Deficits		(173,354,228)	(162,865,319)	(191,474,943)	(183,166,266)
Other components of shareholders' equity		26,964,120	26,964,120	26,964,120	26,964,120
Total shareholders' equity		91,408,276	56,098,801	73,287,561	35,797,854
Total liabilities and shareholders' equity		132,559,557	103,032,757	164,285,449	132,508,774



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

	Note	Consolidated financial statements		Separate financial statements	
		For the period from		For the period from	
		January 1, 2020 to June 30, 2020	For the year ended December 31, 2019	January 1, 2020 to June 30, 2020	For the year ended December 31, 2019
Revenues from sales		5,987,546	11,217,558	4,290,500	11,217,558
Cost of sales	4, 25	(6,783,588)	(10,180,746)	(6,675,432)	(10,180,746)
Gross profit (loss)		(796,042)	1,036,812	(2,384,932)	1,036,812
Other income	4, 11, 24	107,837	166,300	420,779	166,204
Selling expenses	25	(265,904)	(677,841)	(265,904)	(677,840)
Administrative expenses	25	(6,454,122)	(53,371,920)	(5,120,304)	(53,310,264)
Loss from purchases of investments in subsidiary	11	(2,783,000)	-	-	-
Finance costs	4, 26	(894,968)	(1,875,602)	(1,623,316)	(2,449,862)
Loss before income tax		(11,086,199)	(54,722,251)	(8,973,677)	(55,234,950)
Tax income	27	597,290	11,651,358	665,000	11,753,898
Loss for the periods		(10,488,909)	(43,070,893)	(8,308,677)	(43,481,052)
Basic loss per share	3				
Equity holders of the Company		(0.11)	(0.62)	(0.09)	(0.62)
Weighted average number of ordinary shares (shares)		96,170,836	70,000,000	96,170,836	70,000,000



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Next)

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

	Note	Consolidated financial statements		Separate financial statements	
		For the period from	For the year ended	For the period from	For the year ended
		January 1, 2020 to June 30, 2020	December 31, 2019	January 1, 2020 to June 30, 2020	December 31, 2019
Other comprehensive loss :					
Items that will never be reclassified to profit or loss					
Loss from revaluation of land	14	-	(2,975,000)	-	(2,380,000)
Income tax relating to items that will never be reclassified to profit or losses	27	-	595,000	-	-
Defined benefit plan actuarial loss	19	-	(3,390,088)	-	(3,390,088)
Other comprehensive loss - net of tax		-	(5,770,088)	-	(5,770,088)
Total comprehensive loss		(10,488,909)	(48,840,981)	(8,308,677)	(49,251,140)
Total comprehensive loss attributable to :					
Equity holders of the Company		(10,488,909)	(48,840,981)	(8,308,677)	(49,251,140)
Non-controlling interests		-	-	-	-
Total		(10,488,909)	(48,840,981)	(8,308,677)	(49,251,140)



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on share capital	Advance received for ordinary shares	Retained Earnings (Deficit)		Other component of shareholders' equity	
					Appropriated Legal reserve	Unappropriated	Surplus on revaluation of asset	Total
Balance as at January 1, 2019		70,000,000	115,000,000	-	7,000,000	(116,404,337)	29,344,120	104,939,783
Total comprehensive loss		-	-	-	-	(46,460,982)	(2,380,000)	(48,840,982)
Balance as at December 31, 2019		70,000,000	115,000,000	-	7,000,000	(162,865,319)	26,964,120	56,098,801
Increase in ordinary shares	23	45,547,320	-	-	-	-	-	45,547,320
Advance received for ordinary shares	23.3.4	-	-	251,064	-	-	-	251,064
Total comprehensive loss		-	-	-	-	(10,488,909)	-	(10,488,909)
Balance as at June 30, 2020		115,547,320	115,000,000	251,064	7,000,000	(173,354,228)	26,964,120	91,408,276



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

Separate financial statements							
Note	Issued and paid-up share capital	Premium on share capital	Advance received for ordinary shares	Retained earnings (deficit)		Other component of shareholders' equity	Total
				Appropriated Legal reserve	Unappropriated	Surplus on revaluation of asset	
Balance as at January 1, 2019	70,000,000	115,000,000	-	7,000,000	(136,295,126)	29,344,120	85,048,994
Total comprehensive loss	-	-	-	-	(46,871,140)	(2,380,000)	(49,251,140)
Balance as at December 31, 2019	70,000,000	115,000,000	-	7,000,000	-183,166,266	26,964,120	35,797,854
Increase in ordinary shares	23	45,547,320	-	-	-	-	45,547,320
Advance received for ordinary shares	23.3.4	-	251,064	-	-	-	251,064
Total comprehensive loss	-	-	-	-	(8,308,677)	-	(8,308,677)
Balance as at June 30, 2020	115,547,320	115,000,000	251,064	7,000,000	(191,474,943)	26,964,120	73,287,561



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

	Consolidated financial statements		Separate financial statements	
	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019
Cash flows from operating activities				
Loss before income tax	(11,086,199)	(54,722,251)	(8,973,677)	(55,234,950)
Adjustments to reconcile loss before income tax to cash generated (paid) from operating activities				
Loss from devaluation of inventories	139,111	206,654	139,111	206,654
Depreciation and amortization	361,601	890,266	354,358	890,267
Expected credit losses	717,006	-	-	-
Loss from impairment of assets	5,439,335	-	2,654,375	-
(Gain) loss from sale of assets	(62,523)	33,421,421	(62,523)	33,421,421
Unrealized gain on exchange rate	-	(59,296)	-	(59,296)
Interest income	(1,742,330)	(16,572)	(358,255)	(16,498)
Finance costs	894,968	1,875,602	1,623,316	2,449,862
Cash flow before changes in operating assets and liabilities	(5,339,031)	(18,404,176)	(4,623,295)	(18,342,540)
Changes in operating assets and liabilities				
Trade and other receivables	889,888	3,285,439	(182,970)	3,287,400
Inventories	3,298,883	(3,280,706)	3,298,883	(3,280,706)
Other current assets	210,816	334,769	230,821	332,810



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (Next)

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

	Consolidated financial statements		Separate financial statements	
	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019
Educational loan receivables	(6,907,101)	-	-	-
Other non-current assets	(448)	(9,000)	(453)	(9,000)
Trade and other payables	125,734	(1,811,219)	295,551	(1,741,219)
Other current liabilities	(3,706)	(7,569)	(3,706)	(7,569)
Provisions for employee benefit	44,299	924,776	44,299	924,776
Employee benefits paid	(6,787,605)	(8,704,000)	(6,787,605)	(8,704,000)
Cash paid from operations	(14,468,270)	(27,671,685)	(7,728,475)	(27,540,048)
Interest received	669,472	16,572	45,283	16,498
Income tax paid	(7)	(489,466)	-	(397,165)
Net cash used in operating activities	(13,798,805)	(28,144,580)	(7,683,192)	(27,920,715)
Cash flows from investing activities				
Short-term loans to related companies	-	-	(39,438,878)	-
Purchase of building and equipment	-	(8,900)	-	(8,900)
Sales of equipment	7,000,000	11,682	7,000,000	11,682
Sales for investment property	-	36,937,470	-	36,937,470
Cash paid to purchase a subsidiary	(756,168)	-	(1,000,000)	-
Net cash provided by (used in) investing activities	6,243,832	36,940,252	(33,438,878)	36,940,252



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (Next)

FOR THE PERIOD FROM JANUARY 1, 2020 TO JUNE 30, 2020

Baht

	Consolidated financial statements		Separate financial statements	
	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019	For the period from Jan 1 – Jun 30, 2020	For the year ended December 31, 2019
Cash flows from financing activities				
Proceeds from short-term loans from related parties	2,200,000	800,000	2,200,000	800,000
Repayments for short-term loans from related parties	-	(2,800,000)	-	(2,800,000)
Proceeds from short-term loans from other person	300,000	-	-	-
Repayments for short-term loans from other person	(33,000,000)	-	-	-
Repayments for short-term loans from financial institutions	(2,525,070)	(4,870,036)	(2,525,070)	(4,870,036)
Increase in ordinary shares	45,798,384	-	45,798,384	-
Finance cost paid	(620,771)	(1,888,285)	(894,817)	(2,068,285)
Net cash provided by (used in) financing activities	12,152,543	(8,758,321)	44,578,497	(8,938,321)
Net increase in cash and cash equivalents	4,597,570	37,352	3,456,427	81,216
Cash and cash equivalents at the beginning of the periods	178,870	141,518	156,847	75,631
Cash and cash equivalents at the end of the periods	4,776,440	178,870	3,613,274	156,847



YONG THAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2020

1. GENERAL INFORMATION

Yong Thai Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 633/14 Sathupradit Road, Bang Phongphang, Yan Nawa, Bangkok.

The Group has their principal activities involve the production of primary industrial chemicals.

The Company was listed on the Stock Exchange of Thailand (SET) on November 19, 1990.

The financial statements have been approved for issue by the Board of Directors of the Company on September 30, 2020.

Coronavirus disease 2019 Pandemic

The situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, 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. However, the Group’s management has continuously monitored and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has planned solving the business impacts for the abilities to continues as going concerns.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Group’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.



The preparation of the financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Change of accounting period

The Company changed their accounting period from the period starting from January 1 to December 31 of each year to the period starting from July 1 to June 30 of the following year. Consequently, the statement of comprehensive income, changes in shareholders' equity and cash flow for the period ended June 30, 2020 present for only six-month whereas the comparative information presented for the twelve-month period information ended effecting that the information presented in such period are not comparable.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consisted of the Group as follow:

Subsidiaries	Country of incorporation	Business type	<i>Percent</i> Percentage of holding	
			June 30, 2020	December 31, 2019
Direct subsidiary				
T&T Leader Co., Ltd.	Thailand	Production of primary industrial chemicals	100	100
YCI Syndicate Co., Ltd.	Thailand	Investment	100	-
Indirect subsidiary				
World Educational Loan Service Co., Ltd.	Thailand	Educational loan	100	-

On January 4, 1999, T&T Leader Co., Ltd. has temporarily ceased its operations.

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associated company

Associated company is that entity in which the Group has significant influence, but not control, or joint control over the financial and operating policies. The Group's consolidated financial statements include the share of the profit or loss and other comprehensive income (loss) of associate on an equity method, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its investment in associate, the investment is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate.

New financial reporting standards that became effective in the current period

During the year, the Company have adopted the new and revised TFRS which are effective for fiscal period beginning on or after January 1, 2019. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the financial statement to users of TFRS. The adoption of these TFRS does not have any significant impact on the Company's financial statements.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

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

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

This standard has an impact on the financial statements of the Group from the following reports.

- Classification and measurement of investments in equity instruments of non-listed companies that the Group is to measure investments in equity instruments of non-listed companies at fair value and classify the investment as financial assets at fair value, through either profit or loss or through other comprehensive income.
- Recognition of credit losses that the Group has to recognise an allowance for expected for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider an allowance for expected credit loss of trade receivable and the general approach to consider impairment of educational loan receivables.

Change of classification and measurement

Financial assets classified as equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Company classifies investments in equity instruments as financial assets to be measured at fair value through profit or loss



The management of the Group reviewed and evaluated the existing financial assets as at 1 January 2020 according to the facts and circumstances that exist at that date and summarised the significant changes to the financial assets of the Company which were related to classification and measurement as follows:

- Investments in equity instruments mostly are classified as financial assets that are measured at fair value through profit or loss.

Impairment of financial assets

Impairment requirements according to TFRS 9 Financial Instruments are recognised in accordance with the Expected Credit Loss model and management overlay. The financial reporting standard requires the Company to recognise allowance for expected credit losses for all financial assets classified as debt instruments that are not measured at fair value through profit or loss.

The Group considers using a simplified approach to determine expected credit losses over the expected life for accrued service income.

Impairment under these financial reporting standards leads to credit losses being recognized faster compared to the previous method.

Practice during the transition period

Changes in accounting policies resulted from the adoption of financial reporting standards related to financial instruments must be applied retrospectively, except for the part of financial reporting standards which allows the Company to choose one of the following alternatives:

- It may not restate the financial statements presented for comparative purposes, and make an adjustment to the cumulative effect of the initial adoption of the financial reporting standards related to financial instruments through an adjustment of retained earnings (or other components of shareholders' equity) as at January 1, 2020.
- It may reclassify financial assets according to the Company's business model and management of its assets on the basis of the facts and circumstances that exist at the date of first-time adoption of these financial reporting standards.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand.

The Company does not apply the temporary relief measures for Entities Providing Assistance to Debtors

Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation”

The Federation of Accounting Professions announced Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation”. Its objectives are 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 Accounting Guidance was announced in the Royal Gazette on April 22, 2020 and it is effective for the Group’s financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

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

TFRS 9 Financial Instruments

Impairment of financial assets

The Company considers using a simplified approach to determine expected credit losses over the expected lifetime for educational loan receivables and accrued income.

The measurement of expected credit losses by using a simplified approach



The Group can elect not to take into account forward-looking information when determining expected credit losses. The Group can use the historical credit losses or other method that give similar result including the management's judgement to estimate expected losses basing on the available information without undue cost of effort.

The measurement of the fair value investments in unquoted equity instruments.

The Group can elect to measure the investment in unquoted equity instruments by using fair value as at January 1, 2020. (In a limited circumstances, the cost approach may be appropriate as there is no adequate update information to measure fair value or there is a wide range of fair value information and cost is the best representation of the estimate fair value in such information range).

TFRS 13 Fair Value Measurement

Fair value measurement for financial assets and non-financial assets

The Group can elected 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.

The Group can elected not to use information relating to the COVID-19 situation which impacts to forward-looking information in applying the relevant valuation technique to measure the fair value of non-financial assets.

TAS 36 Impairment of Assets

The Group can elect not to consider the COVID-19 situation as an indication that an asset may be impaired. However, the Group has to consider the indication of impairment and test the asset impairment incurred from other circumstances than those COVID-19 situations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.



Revenues

Revenue is measured at the fair value of the standalone selling price of each performance obligation in contracts.

Revenue from sale of goods

Revenue from sale of goods is recognized when control of the goods is transferred to customers, generally on delivery of goods.

No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

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

For sale with a right to return the goods, the Group recognizes the refund amount expected to be returned to customers, by considering the consistent level of returns over historical experiences which is highly probable that a significant reversal in the cumulative revenue recognized will not occur, as a refund liability and recognized a return of goods from customers as an asset in the statement of financial position. The asset is measured by the previous carrying amount of the inventory, deducting expected costs of returned goods, including any potential of the diminution in value of the returned goods.

Revenue from loans

The Group recognized interest income from loan agreement using the effective interest rate method over the contract period.

The Group recognized interest income is discontinued when the receivable is overdue more than 90 days from the due date

Consideration payable to the customer

The Group recognized for consideration payable to the customer as a reduction of the revenue.

Interest income

Interest income is recognized as income on an accrual basis, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.

Expenses**Operating leases**

Payments made under operating leases are recognized in the statements of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statements of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statements of comprehensive income in the accounting period in which they are incurred.

Finance Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in the statements of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.



Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Group. Contributions to the provident fund and obligations to defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in the statements of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Group recognizes all actuarial gains (losses) immediately in other comprehensive income.

Termination benefits

The Group recognizes termination benefits as a liability and expense when the Group terminates the employment of an employee or group of employees before the normal retirement date.

Fair value measurement

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

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

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

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

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

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

Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments (except the interest in subsidiaries, associates and joint ventures) are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.



Impairment of financial assets

The Group recognizes an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

Determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that record its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

Investments

Current investments are the investment in the marketable securities which are stated at fair value as at the end of reporting period. Any changes in value are recognized in the statement of comprehensive income.

The fair value of investment units is determined from their net asset values.

Gains and losses on disposals of investments are recorded upon disposals. The cost of securities on disposal is average cost method.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date (if any).

Loss on impairment in value of investment in subsidiaries is included in the statement of income when value of investment decline. Loss on decline in value of investment in subsidiaries is included in the statement of income which the company recognized in the previous period when the estimation used to reduce the value of the investment has changed. The company will increase the book value equal to the recoverable amount of the investment, but not exceed the impairment loss recorded in the previous period by recording the reversal of the impairment loss of investments are income in the statement of comprehensive income.

**Eliminated in the consolidated financial statements**

Balances and transactions, including any unrealized income or expenses arising from transactions between companies eliminated in preparation of the consolidated financial statements. Unrealized gains resulting from transactions with associates and jointly controlled entities are eliminated against investments to the extent that the company has an interest in the invested entity. The unrealized loss is eliminated in the same manner as the unrealized gain. But as far as when there is no evidence of impairment occurs.

Trade and other receivables

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

Allowance for expected credit losses is provided for the estimated losses that may be incurred in collection of receivables.

Allowance for expected credit losses on financial assets

Accounting policy adopted since January 1, 2020

For education loan receivables, the Company has decided to use a simplified approach, based on overdue status, to determine expected credit losses over the expected lifetime of the asset.

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realised, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss in the statements of comprehensive income.



Inventories

Inventories are stated at the lower of cost using first-in, first-out cost method or net realizable value.

Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overhead based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Property, plant and equipment

Owned assets

Land is stated at cost, and plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the



finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

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

Depreciation

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

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

	<i>Years</i>
Buildings	20
Machinery and equipment	5 and 10
Furniture and office equipment	5
Utilities	5 and 10
Vehicles	5

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

Depreciation is included in determining income and no depreciation is provided on freehold land.



Repairs and maintenance are charged to the statements of comprehensive income during the financial years in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in the statements of income.

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

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Investment property

Investment properties are properties which are 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.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalized borrowing costs.



Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property.

The estimated useful lives are as follows:

	<i>Years</i>
Buildings and structures	20

Depreciation is included in determining income.

Subsequent costs

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

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Property held for sale

Property or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Property or disposal group that is classified as held for sale is measured at the lower of the carrying amount and fair value less cost to sell. (Incremental costs directly related to the disposal of property or disposed group, excluding finance costs and income tax expenses)

Property, while it is classified as held for sale, or while it is part of a disposal group classified as held for sale, will not be depreciated or amortized.



Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Finance lease

Leases of building and equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance costs so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to the statements of income over the lease period. Building and equipment acquired under finance leasing contract is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lesser by way of penalty is recognized as an expense in the period in which termination takes place.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Forward exchange contracts at the transaction date are converted to Thai Baht by using the contract rates.

Non-monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the transaction date.

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting Bank with the same maturity. At end of reporting period, the unrealized gains or losses on outstanding forward exchange contracts, calculated as described above, are included within other receivables or other payables from forward exchange contracts in the statement of financial position.



Gain or loss on conversion is included in the statement of comprehensive income.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Premium on share capital

According to the section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account (“premium on share capital”). Premium on share capital is not available for dividend distribution.

Basic loss per share

Basic loss per share is calculated by dividing loss for the periods attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the periods.

For the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were summarized as follows:

	Consolidated		Separate	
	financial statements		financial statement	
	2020	2019	2020	2019
Loss for the periods	(24,020,707)	(43,070,893)	(8,308,677)	(43,481,052)
Weighted average number of ordinary shares (shares)				
Ordinary shares at the beginning of the periods	70,000,000	70,000,000	70,000,000	70,000,000
Effect of ordinary shares issued	26,170,836	-	26,170,836	-
Weighted average number of ordinary shares	<u>96,170,836</u>	<u>70,000,000</u>	<u>96,170,836</u>	<u>70,000,000</u>
Basic loss per shares	<u>(0.25)</u>	<u>(0.62)</u>	<u>(0.09)</u>	<u>(0.62)</u>

Baht

**Going concern basis**

The Group has suffered operating losses for over consecutive years. For the periods from January 1, 2020 to June 30, 2020 and for the years ended December 31, 2019, the Group has loss of Baht 24.02 million in the consolidated financial statements (year 2019: of Baht 43.07 million) and of Baht 22.48 million in the separate financial statements (year 2019: of Baht 43.48 million). During the period 2020, the Company is in the process of negotiation for the loan repayment relief from the financial institution which the continue as a going concern of the Group depends on their future business operation plan, consequently, the ability to continue as a going concern also depends on the future profitability in according to the mentioned business plan. Those circumstances indicate the existence of a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern. However, the financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities will occur in the normal course of business.

4. TRANSACTIONS WITH RELATED PARTIES

The Group had transactions with related parties. These parties were related through common shareholders and/or directorships or close members of the family of management. The significant transactions with related parties as included in the financial statements are determined at the prices in line 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 exists.



Significant transactions with related parties for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest income				
World Educational Loan Services Co., Ltd.	-	-	312,607	-
T&T Leader Co., Ltd.	-	-	238	-
YCI Syndicate Co., Ltd.	-	-	128	-
Purchase of goods				
The Tha Thai Co., Ltd.	-	1,114,007	-	1,114,007
Interest expense				
T&T Leader Co., Ltd.	-	-	728,499	574,260
Director	30,197	-	30,197	-

The significant balances of assets and liabilities with related parties as at June 30, 2020 and December 31, 2019 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade and other receivables				
YCI Syndicate Co., Ltd.	-	-	1,000,000	-
Accrued interest income				
World Educational Loan Services Co., Ltd.	-	-	312,607	-
T&T Leader Co., Ltd.	-	-	238	-
YCI Syndicate Co., Ltd.	-	-	128	-
Trade and other payables (see note 17)				
YCI Syndicate Co., Ltd.	-	-	1,000,000	-
Accrued interest expense				
T&T Leader Co., Ltd.	-	-	1,916,232	1,187,733
Director	30,197	-	30,197	-



Short-term loan to related parties

Short-term loan to related parties as at June 30, 2020 and December 31, 2019 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
World Educational Loan Services Co., Ltd.	-	-	39,300,000	-
YCI Syndicate Co., Ltd.	-	-	54,625	-
T&T Leader Co., Ltd.	-	-	84,253	-
Total	-	-	39,438,878	-

Movements of short-term loan to related parties for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Beginning balance	-	-	-	-
Increase	-	-	39,438,878	-
Decrease	-	-	-	-
Ending balance	-	-	39,438,878	-

Related parties issued the promissory note due at call, interest charged at the rate of 3 % per annum and no collateral.



Short-term loan from related parties

Short-term loan from related parties as at June 30, 2020 and December 31, 2019 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Director	2,200,000	-	2,200,000	-
T&T Leader Co., Ltd.	-	-	48,700,000	48,700,000
Total	<u>2,200,000</u>	<u>-</u>	<u>50,900,000</u>	<u>48,700,000</u>

Baht

Movements of short-term loan from related parties for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Beginning balance	-	-	48,700,000	48,700,000
Increase	2,200,000	-	2,200,000	-
Decrease	-	-	-	-
Ending balance	<u>2,200,000</u>	<u>-</u>	<u>50,900,000</u>	<u>48,700,000</u>

Baht

There was no agreement regarding to loan from director, interest charged at the rate of 3 % per annum and no collateral.

The Company had loan from related parties, by issuing promissory note matured within 12 months, interest charged at the rate of 3 % per annum and no collateral.

Guarantees of related parties

The director of the Company has fully guaranteed loan from financial institutions without compensation (see note 15)



Key management personnel compensation

Key management personnel compensation for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2020	2019
Short-term benefits	645,117	12,438,621
Post-employment benefits	21,603	452,671
Total	666,720	12,891,292

Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Company, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the period from January 1, 2020 to June 30, 2020, the Company paid directors' remuneration in the amount of Baht 0.06 million. (year 2019: Baht 0.72 million).

Nature of relationship

Name	Country/		Type of relation
	Nationality	Relation	
T&T Leader Co., Ltd.	Thailand	Subsidiary	Direct holding
YCI Syndicate Co., Ltd.	Thailand	Subsidiary	Direct holding
The Tha Thai Co., Ltd.	Thailand	Related company	Direct holding
World Educational Loan Services Co., Ltd.	Thailand	Subsidiary	Subsidiary of YCI Syndicate Co., Ltd. shares holding start on April 1, 2020.
Related person	Thai	Related persons	Shareholder and director



Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase of goods	Market price
Interest income - expense	Referred with the commercial bank's interest rate

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2020 and 2019 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash on hand	67,048	62,656	55,000	55,000
Cash at banks	4,709,392	116,214	3,558,274	101,847
Total	<u>4,776,440</u>	<u>178,870</u>	<u>3,613,274</u>	<u>156,847</u>

6. SHORT-TERM LOAN TO OTHER PERSON

Short-term loan to other person as at June 30, 2020 in the consolidated financial statement consisted of:

	<i>Baht</i>
Other person	<u>1,000,000</u>

Movements of short-term loan to other person for the period from January 1, 2020 to June 30, 2020 were as follows:

	<i>Baht</i>
Beginning balance	-
Increase	1,000,000
(Decrease)	-
Ending balance	<u>1,000,000</u>

There was no agreement regarding to loan to other person, no interest charged and no collateral.



7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at June 30, 2020 and December 31, 2019 consisted of:

	Baht	
	Consolidated	Separate
	financial statements	financial statements
	2020	2019
Trade receivables	619,530	436,560
Other receivables		
Accrued interest	-	312,972
Related parties	-	1,000,000
Total	619,530	1,932,502

	Baht	
	Consolidated	Separate
	financial statements	financial statements
	2020	2019
Trade receivables		
Current	549,980	436,560
Overdue		
Overdue less than 3 months	69,550	-
Total	619,530	436,560

8. INVENTORIES

Inventories as at June 30, 2020 and December 31, 2019 consisted of:

	Baht	
	Consolidated and separate	
	financial statements	
	2020	2019
Finished goods	575,416	3,833,315
Supplies	317,577	358,562
Total	892,993	4,191,877
Less Allowance for devaluation of inventories	(345,765)	(206,654)
Inventories - net	547,228	3,985,223



Movements of allowance for devaluation of inventories for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were as follows:

	Baht	
	Consolidated and separate	
	financial statements	
	2020	2019
Beginning balance	206,654	-
Add Loss on devaluation of inventories	139,111	206,654
Ending balance	345,765	206,654

Cost of inventories is included in the cost of sales

	Baht	
	Consolidated and separate	
	financial statements	
	2020	2019
Cost of sales	4,105,883	10,180,746
Loss from devaluation of inventories	(139,111)	(206,654)
Net	3,966,772	9,974,092

9. EDUCATIONAL LOAN RECEIVABLES

Educational loan receivables as at June 30, 2020 in the consolidated financial statement consisted of:

	Baht
Principal	39,359,973
Accrued interest income	2,408,195
Total	41,768,168
Less Allowance for expected credit losses	(4,543,125)
Educational loan receivables - net	37,225,043



As at June 30, 2020 and December 31, 2019, the Group had outstanding balances of educational loan receivables aged by number of months as follows:

	<i>Issue</i>			<i>Baht</i>			<i>Percent</i>			<i>Baht</i>		
	Contract			Educational loan receivables			Rate of allowance for expected credit losses			Allowance for expected credit losses		
	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3
Current	16	238	5	6,005,377	25,521,659	1,976	-	0.84	-	-	215,371	-
Overdue						-				-		
Less than 30 days	1	32	-	88,488	3,568,972	-	-	19.71	-	-	703,289	-
Over 31 - 90 days	-	10	-	-	712,050	-	-	22.89	-	-	163,014	-
Over 91 days	1	42	1	45,000	3,414,349	2,102	100.00	100.00	100.00	45,000	3,414,349	2,102
Total	18	322	6	6,138,865	33,217,030	4,078				45,000	4,496,023	2,102

Group 1 Receivable paid interest during study and paid principal after graduate

Group 2 Receivable paid principal and interest after graduate

Group 3 Receivable paid principal and interest during study



Movements of allowance for expected credit losses on financial assets for the period from January 1, 2020 to June 30, 2020 were as follows:

	<i>Baht</i>
Beginning balance	-
Add Increase from purchase of subsidiary	3,826,118
Add Allowance for expected credit losses	717,006
Ending balance	<u><u>4,543,124</u></u>

10. PROPERTY HELD FOR SALE

Movements of property held for sale during the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were summarized as follows:

	<i>Baht</i>
	Consolidated and separate financial statements
Net book value	
As at January 1, 2019	6,937,477
Purchase / transfer in	-
Disposal / transfer out	-
As at December 31, 2019	6,937,477
Purchase / transfer in	-
Disposal / transfer out	(6,937,477)
As at June 30, 2020	<u><u>-</u></u>

On January 8, 2020, the Company entered into the sale agreement of land including building with other person, in the selling price of Baht 7 million and gain from sale of asset of Baht 0.06 million.

The Company registered to transfer ownership of property held for sale to other person on January 17, 2020.



11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries in the separate financial statements as at June 30, 2020 and December 31, 2019 consisted of:

Subsidiaries	Type of business	Percent										Baht	
		Shareholding		Number of Share		Paid-up share capital		Cost method		Allowance for impairment		Net book value	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Direct subsidiary													
T&T Leader Co., Ltd.	Production of primary industrial chemicals	100	100	1,000,000	1,000,000	65,000,000	65,000,000	43,150,000	43,150,000	(13,650,000)	(13,650,000)	29,500,000	29,500,000
YCI Syndicate Co., Ltd.	Holding Company	100	-	10,000	-	1,000,000	-	1,000,000	-	-	-	1,000,000	-
Total								44,150,000	43,150,000	(13,650,000)	(13,650,000)	30,500,000	29,500,000
Indirect subsidiary													
World Educational Loan Service Co., Ltd.	Educational loan	100	-	9,998	-	1,000,000	-	1,000,000	-	-	-	1,000,000	-

The Company

On March 31, 2020, the Company invested in ordinary shares of YCI Syndicate Co., Ltd. (99,997 shares, at Baht 10 par value) in the amount of Baht 10 per share, totalling of Baht 1 million, representing 99.99 percent of the paid-up share capital.

Subsidiary

On April 1, 2020, YCI Syndicate Co., Ltd. invested in ordinary shares of World Educational Loan Service Co., Ltd. (9,998 shares, at Baht 100 par value) in the amount of Baht 10 per share, totalling of Baht 1 million, representing 99.99 percent of the paid-up share capital.

The Extraordinary General Meeting of Shareholders held on September 2, 2020, passed a resolution to approve registration of dissolution of T&T Leader Co., Ltd.



The details of net asset of World Educational Loan Service Co., Ltd. at the date invested in ordinary shares.

	<i>Baht</i>
Cash and cash equivalents	243,832
Educational loan receivables	31,034,950
Other current assets	9
Short-term loans to related parties	1,000,000
Property, plant and equipment	124,977
Deferred tax asset	573,918
Short-term loans from related person	(13,822,000)
Short-term loans from other company	(20,000,000)
Trade and other payables	(814,750)
Income tax payable	(123,936)
Net assets	(1,783,000)
Allowance for impairment of goodwill	2,783,000
Purchase price	1,000,000
Less Cash and cash equivalents	(243,832)
Cash flow paid for acquiring a subsidiary	756,168
Representing shareholding (Percent)	100



12. INVESTMENT IN ASSOCIATED COMPANY

Investment in associated company in the separate financial statements as at June 30, 2020 and December 31, 2019 consisted of:

Associated company	Type of business	<i>Percent</i>		<i>Paid-up capital</i>		<i>Cost method</i>		<i>Equity Method</i>		<i>Allowance for impairment</i>		<i>Net book value</i>	
		<i>Shareholding</i>											
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Krabi City Hotel and Resort Co., Ltd.	Hotel and Ressor	19	19	195,000,000	195,000,000	20,195,158	20,195,158	20,195,158	20,195,158	(20,195,158)	(20,195,158)	-	-

The Group has significant influence over the associated company due to the Group has 19% shareholding of ordinary shares in Krabi City Hotel and Resort Co., Ltd. and has representatives to the Board of Directors of such Company.

Significant financial information of associated company as at December 31, 2019 consisted of:

Year	Current asset	<i>Non-current</i>		<i>Non-current</i>		<i>Baht</i>	
		asset	Current liabilities	liabilities	Net assets	Revenue	Loss
2019	17,070,255	46,268,022	11,926,686	91,342,272	(39,930,680)	63,220,117	(11,121,035)

The Group recognizes the share of loss in the associate until the Company's interest is reduced to zero. Share of loss in the associated company which is excess of the Company's interest are not recognized as the Company's liability due to the Company have no any obligation to make the payment on behalf of such associate company.



13. GENERAL INVESTMENT

General investment as at June 30, 2020 and December 31, 2019 consisted of:

<i>Baht</i>									
Companies	Type of business	Percent	Paid-up	Cost method		Allowance for impairment		Net book value	
		Shareholding	share capital	2020	2019	2020	2019	2020	2019
Investment in equity instrument									
Non-listed companies									
Medical Media Products Co., Ltd.	Selling medical equipment								
	and devices	19	9,250,000	1,757,500	1,757,500	(1,757,500)	(1,757,500)	-	-
The Tha Thai Co., Ltd.	Producing and selling								
	chemical products	14	120,000,000	16,800,000	16,800,000	(800,000)	-	16,000,000	16,800,000
Avatar Co., Ltd.	Producing computer spare parts	2.22	1,948,890,000	43,199,000	43,199,000	(43,199,000)	(43,199,000)	-	-
Kinesys Pharmaceutical (Canada) Inc.	Producing cosmetics	-	-	5,990,586	5,990,586	(5,990,586)	(5,990,586)	-	-
Total				67,747,086	67,747,086	(51,747,086)	(50,947,086)	16,000,000	16,800,000

Avatar Co., Ltd.

On July 6, 2000, the Central Bankruptcy Court judged Avatar Co., Ltd. went bankrupt and ordered an absolute control of property.

Medical Media Products Co., Ltd.

On March 24, 2004, the Central Bankruptcy Court judged Medical Media Products Co., Ltd. for went bankrupt and ordered an absolute control of property.

Movements of allowance for impairment for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 as follows:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2020	2019
Beginning balance	50,947,086	50,947,086
Add Loss from impairment of assets	800,000	-
Ending balance	<u>51,747,086</u>	<u>50,947,086</u>

14. INVESTMENT PROPERTY

Movements of investment property for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were summarized as follows:

	<i>Baht</i>
	Consolidated and separate financial statements
Net book value	
As at January 1, 2019	101,129,750
Purchase / transfer in	-
Disposal / transfer out	(70,370,000)
As at December 31, 2019	<u>30,759,750</u>
Purchase / transfer in	-
Disposal / transfer out	-
As at June 30, 2020	<u>30,759,750</u>

Investment property is 1 plot of an empty land which the Company has a joint ownership with other person. The agreed proportion of land in the ratio of 1: 5 as follows:

	<i>Million Baht</i>	
	Area	
Detail	Rai-Ngan-Sqaure Wa	Appraisal value
Whole plot	18-3-95	153.80
Owned by the Company	3-3-19	30.76

ASSETS VALUATION**Year 2020**

The Company engaged KTAC Appraisal And Service Co., Ltd. who is an independent appraiser in accordance with professional standards of the Valuers Association of Thailand. Land with its carrying amount of Baht 30.76 million was appraised basing on the Market Approach Method at the appraisal value of Baht 34.94 million as per the appraisal report dated August 28, 2020.

Year 2019

The Company engaged UK Valuations and Agency Co., Ltd. who is an independent appraiser in accordance with professional standards of the Valuers Association of Thailand. Land with its carrying amount of Baht 33.74 million was appraised basing on the Market Approach Method at the appraisal value of Baht 33.74 million as per the appraisal report dated December 27, 2019.

The Company recognise loss from impairment of land by reducing the book value of the land equivalent to the amount expected to be recovered of Baht 2.98 million, which it deducted from the surplus land revaluation.



15. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment during for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 consisted of:

	Consolidated financial statements						<i>Baht</i>
	Land and land improvements	Building	Machinery and equipment	Furniture and office equipment	Utility system	Vehicles	Total
At cost/revaluation							
As at January 1, 2019	48,300,000	21,322,903	41,037,280	8,219,121	8,457,832	2,996,573	130,333,709
Purchase/ transfer in	-	-	8,900	-	-	-	8,900
Disposal/ transfer out	-	-	(3,400,008)	(7,816,137)	(157,428)	(112,148)	(11,485,721)
Transfer to property held for sale	(8,400,000)	(5,400,000)	-	-	-	-	(13,800,000)
As at December 31, 2019	39,900,000	15,922,903	37,646,172	402,984	8,300,404	2,884,425	105,056,888
Increase from purchase investment in subsidiary	-	-	-	-	169,742	-	169,742
Purchase/ transfer in	-	-	-	-	-	-	-
Disposal/ transfer out	-	-	-	-	-	-	-
As at June 30, 2020	39,900,000	15,922,903	37,646,172	402,984	8,470,146	2,884,425	105,226,630
Accumulated depreciation							
As at January 1, 2019	-	18,936,319	39,396,298	8,180,010	8,300,398	2,996,566	77,809,591
Depreciation	-	229,759	633,908	26,600	-	-	890,267
Disposal/ transfer out	-	-	(3,557,258)	(7,815,874)	-	(112,148)	(11,485,280)
Transfer to property held for sale	-	(3,887,523)	-	-	-	-	(3,887,523)
As at December 31, 2019	-	15,278,555	36,472,948	390,736	8,300,398	2,884,418	63,327,055
Increase from purchase investment in subsidiary	-	-	-	-	44,764	-	44,764
Depreciation	-	53,181	296,494	4,683	7,243	-	361,601
Disposal/ transfer out	-	-	-	-	-	-	-
As at June 30, 2020	-	15,331,736	36,769,442	395,419	8,352,405	2,884,418	63,733,420

*Baht*

Consolidated financial statements

Net book value

As at December 31, 2019

As at June 30, 2020

<u>Land and land improvements</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Furniture and office equipment</u>	<u>Utility system</u>	<u>Vehicles</u>	<u>Total</u>
39,900,000	644,348	1,173,224	12,248	6	7	41,729,833
<u>39,900,000</u>	<u>591,167</u>	<u>876,730</u>	<u>7,565</u>	<u>117,741</u>	<u>7</u>	<u>41,493,210</u>

*Baht*

	Separate financial statements						Total
	Land and land improvements	Building	Machinery and equipment	Furniture and office equipment	Utility system	Vehicles	
At cost/valuation							
As at January 1, 2019	48,300,000	21,322,903	41,037,280	8,219,121	8,457,832	2,996,573	130,333,709
Purchase/ transfer in	-	-	8,900	-	-	-	8,900
Disposal/ transfer out	-	-	(3,400,008)	(7,816,137)	(157,428)	(112,148)	(11,485,721)
Transfer to property held for sale	(8,400,000)	(5,400,000)	-	-	-	-	(13,800,000)
As at December 31, 2019	39,900,000	15,922,903	37,646,172	402,984	8,300,404	2,884,425	105,056,888
Purchase/ transfer in	-	-	-	-	-	-	-
Disposal/ transfer out	-	-	-	-	-	-	-
As at June 30, 2020	39,900,000	15,922,903	37,646,172	402,984	8,300,404	2,884,425	105,056,888
Accumulated depreciation							
As at January 1, 2019	-	18,936,319	39,396,298	8,180,010	8,300,398	2,996,566	77,809,591
Depreciation	-	229,759	633,908	26,600	-	-	890,267
Disposal/ transfer out	-	-	(3,557,258)	(7,815,874)	-	(112,148)	(11,485,280)
Transfer to property held for sale	-	(3,887,523)	-	-	-	-	(3,887,523)
As at December 31, 2019	-	15,278,555	36,472,948	390,736	8,300,398	2,884,418	63,327,055
Depreciation	-	53,181	296,494	4,683	-	-	354,358
Disposal/ transfer out	-	-	-	-	-	-	-
As at June 30, 2020	-	15,331,736	36,769,442	395,419	8,300,398	2,884,418	63,681,413
Net book value							
As at December 31, 2019	39,900,000	644,348	1,173,224	12,248	6	7	41,729,833
As at June 30, 2020	39,900,000	591,167	876,730	7,565	6	7	41,375,475

**Baht**

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
As at December 31,				
The gross carrying amount				
fully depreciated that is still in use	<u>49,034,025</u>	<u>49,034,025</u>	<u>49,034,025</u>	<u>49,034,025</u>

ASSETS VALUATION

The Company engaged Real Estate Appraisal Co., Ltd. who is an independent appraiser in accordance with professional standards of the Valuers Association of Thailand. The appraisal was based on as follows:

- Land with its carrying amount of Baht 39.90 million was appraised basing on the Market Approach Method at the appraisal value of Baht 49.88 million.
- Building with its carrying amount of Baht 0.59 million was appraised basing on the Cost Approach Method at the appraisal value of Baht 15.22 million.
- Machinery with its carrying amount of Baht 0.85 million was appraised basing on the Cost Approach Method at the appraisal value of Baht 1.85 million.

According to the appraisal report dated August 14, 2020.

Collateral

The Company's land including existing construction and to be constructed in the future were mortgaged as collateral for bank overdraft and loans from financial institutions. (see note 16)

The director had fully guaranteed for the mentioned loans without returns. (see note 16)

Buildings and equipment not used in the operations.*Baht*

	Consolidated and separate financial statements		
	Building and factory	Machinery	Total
At cost			
As at January 1, 2019	3,244,523	5,304,565	8,549,088
Purchase/ transfer in	-	-	-
Disposal/ transfer out	-	-	-
As at December 31, 2019	3,244,523	5,304,565	8,549,088
Purchase/ transfer in	-	-	-
Disposal/ transfer out	-	-	-
As at June 30, 2020	<u>3,244,523</u>	<u>5,304,565</u>	<u>8,549,088</u>
Accumulated depreciation			
As at January 1, 2019	3,014,525	5,304,562	8,319,087
Depreciation	-	-	-
Disposal/ transfer out	-	-	-
As at December 31, 2019	3,014,525	5,304,562	8,319,087
Depreciation	-	-	-
Disposal/ transfer out	-	-	-
As at June 30, 2020	<u>3,014,525</u>	<u>5,304,562</u>	<u>8,319,087</u>
Allowance for impairment			
As at January 1, 2019	229,998	3	230,001
(Increase)/ Decrease	-	-	-
As at December 31, 2019	229,998	3	230,001
(Increase)/ Decrease	-	-	-
As at June 30, 2020	<u>229,998</u>	<u>3</u>	<u>230,001</u>
Net book value			
As at December 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>
As at June 30, 2020	<u>-</u>	<u>-</u>	<u>-</u>



16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at June 30, 2020 and December 31, 2019 consisted of:

	<i>Baht</i>	
	Consolidated and separate	
	financial statements	
	2020	2019
Bank overdrafts	4,858,660	5,974,930
Trust receipt	17,406,000	18,814,800
Total	22,264,660	24,789,730

The Company has credit facilities with financial institutions consisted of:

Financial institutions	Type of credit	<i>Million Baht</i>		<i>Percent</i> Referred interest rate
		Credit limit		
		2020	2019	
The Company				
Commercial Bank	Bank overdrafts	8	8	MOR
Commercial Bank	Trust receipt	17.5	19	6.00

Collateral

The Company's land including existing construction and to be constructed in the future were mortgaged as collateral for bank overdraft and loans from financial institutions. (see note 15)

The director had fully guaranteed for the mentioned loans without compensation. (see note 4)

The Company is in the process of negotiation for temporary relief measures for short-term principal and interest repayment from financial institutions.



17. TRADE AND OTHER PAYABLES

Trade and other payables as at June 30, 2020 and December 31, 2019 consisted of:

		<i>Baht</i>			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
Other payables					
Accrued expenses		2,138,139	1,649,904	1,885,455	1,589,904
Accrued interest expense		726,446	-	1,916,232	1,187,733
Share subscription payable	4	-	-	1,000,000	-
Total		<u>2,864,585</u>	<u>1,649,904</u>	<u>4,801,687</u>	<u>2,777,637</u>

18. SHORT-TERM LOANS FROM OTHER PERSON

Short-term loans from other person as at June 30, 2020 and December 31, 2019 consisted of:

		<i>Baht</i>			
		Consolidated		Separate	
		financial statement		financial statement	
		2020	2019	2020	2019
Other person (Ex-management)		<u>1,122,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement of short-term loans from other person for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 was as follows:

**Baht**

	Consolidated financial statement	
	2020	2019
Beginning balance	-	-
Increase	1,122,000	-
Decrease	-	-
Ending balance	1,122,000	-

19. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at June 30, 2020 and December 31, 2019 consisted of:

	Baht Consolidated and separate financial statements	
	2020	2019
Post-employment benefit plan		
Present value of obligations		
Provisions for employee benefit	1,799,698	8,543,004

Movements of the present value of provisions for employee benefit for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 was as follows:

	Consolidated and separate financial statement	
	2020	2019
Post-employment benefit plan		
Provision for employee benefit		
Beginning balance	8,543,004	12,932,140
Included in profit or loss:		
Current service cost	33,258	127,479
Interest cost	11,040	42,950
Past service cost	-	754,347
Included in other comprehensive income:		
Arising from demographic assumption changes	-	(182,294)
Arising from financial assumption changes	-	88,782
Arising from experience adjustment	-	3,483,600
Decreased in liability from retirement and termination	(6,787,604)	(8,704,000)
Ending balance	1,799,698	8,543,004

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

On April 5, 2019, a revised Labor Protection Act was published in the Royal Gazette which stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more to entitle to receive not less than 400 day's compensation at the latest wage rate.

This change is considered a post-employment benefits plan amendment caused the Company has additional employee benefit obligation.

The Company recognizes the effect of the mentioned change as past service costs as an expense in profit or loss for the year 2019.

The principal actuarial assumptions as at June 30, 2020 and December 31, 2019 (expressed as weighted averages) are as follows:



	Consolidated and separate	
	financial statement	
	2020	2019
Discount rate (%)	1.25	1.25
Salary increases rate (%)	2.00	2.00
Retirement age (year)	60	60
Turnover rate (%)	0 - 100	0 - 100
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefit obligations as at June 30, 2020 are summarised below:

	<i>Baht</i> Consolidated and separate	
	financial statement	
	Increase	Decrease
Discount rate (0.5% Movement)	(36,630)	38,437
Salary increase rate (0.5% Movement)	44,488	42,707
Turnover rate (0.5% Movement)	(45,247)	47,261

20. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities as at June 30, 2020 and December 31, 2019 consisted of:

	<i>Baht</i> Consolidated		Separate	
	financial statement		financial statement	
	2020	2019	2020	2019
Deferred tax assets	681,469	-	-	-
Deferred tax liabilities	(11,227,980)	(11,892,980)	(11,227,980)	(11,892,980)
Deferred tax liabilities - net	<u>(10,546,511)</u>	<u>(11,892,980)</u>	<u>(11,227,980)</u>	<u>(11,892,980)</u>



The movements of deferred tax asset and liabilities occurred for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 were as follows:

Baht

	Consolidated financial statements								
	January 1, 2019	Profit	Other comprehensive income	Reclassification	December 31, 2019	Profit	Other comprehensive loss	Increase from purchase investment in subsidiary	June 30, 2020
Deferred tax assets									
Educational loan receivable	-	-	-	-	-	47,677	-	521,612	569,289
Deferred tax liabilities									
Investment properties	(16,905,848)	11,753,898	-	-	(5,151,950)	-	-	-	(5,151,950)
Property, plant and equipment	(7,336,030)	-	595,000	665,000	(6,076,030)	-	-	-	(6,076,030)
Property held for sale	-	-	-	(665,000)	(665,000)	665,000	-	-	-
Total	(24,241,878)	11,753,898	595,000	-	(11,892,980)	665,000	-	-	(11,227,980)

Baht

	Separate financial statements								
	January 1, 2019	Profit	Other comprehensive income	Reclassification	December 31, 2019	Profit	Other comprehensive loss	Increase from purchase investment in subsidiary	June 30, 2020
Deferred tax liabilities									
Investment properties	(16,905,848)	11,753,898	-	-	(5,151,950)	-	-	-	(5,151,950)
Property, plant and equipment	(7,336,030)	-	595,000	665,000	(6,076,030)	-	-	-	(6,076,030)
Property held for sale	-	-	-	(665,000)	(665,000)	665,000	-	-	-
Total	(24,241,878)	11,753,898	595,000	-	(11,892,980)	665,000	-	-	(11,227,980)



21. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital.

22. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by SCB Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. For the period from January 1, 2020 to June 30, 2020, the Company contributed in the amount of Baht 0.03 million. (Year 2019: Baht 0.29 million).

23. SHARE CAPITAL

23.1 The Extraordinary General Meeting of Shareholders held on January 22, 2020 passed a special resolution to increase the authorized share capital from Baht 70 million to Baht 210 million by issuing new ordinary shares of 14 million shares with par value of Baht 10 each, offered to the existing shareholders in the proportion of their shareholding.

The Company has already registered the increase of its authorized share capital with the Ministry of Commerce on February 3, 2020.

23.2 The Company has received share subscription of 4.55 million shares increased at par value of Baht 10 each, totalling of Baht 45.55 million.

The Company has already registered the movement share capital with the Ministry of Commerce on March 19, 2020.



23.3 The General Meeting of Shareholders held on May 27, 2020 passed a special resolution to

23.3.1 The reduction of registered share capital from Baht 210 million to Baht 115.55 million by eliminating the ordinary shares of 9,445,268 shares, with the par value of Baht 10 each, totalling of Baht 94.45 million

The Company has already registered the reduction of registered share capital with the Ministry of Commerce on June 5, 2020.

23.3.2 Change the par value of ordinary shares from Baht 10 per shares to Baht 1 per share.

The Company has already registered the change in its par value with the Ministry of Commerce on June 8, 2020.

23.3.3 The increase of registered share capital from Baht 115.55 million to Baht 347 million by issuing new ordinary shares of 231 million shares, with the par value of Baht 1 each, offered to the existing shareholders in the proportion of their shareholding.

The Company has already registered the increase of its authorized share capital with the Ministry of Commerce on June 9, 2020.

23.4 The Company has received share subscription of 313,830 shares increased at par value of Baht 0.80 each, totalling of Baht 251,064 Baht.

The Company shall register the change in its paid-up share capital with the Ministry within 14 days from the closing date of the subscription for newly issued shares

24. OTHER INCOME

Other income for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 was summarized as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest income	45,314	16,572	358,255	16,498
Gain from sale of assets	62,523	11,702	62,524	11,680
Others	-	138,026	-	138,026
Total	107,837	166,300	420,779	166,204

Baht



25. EXPENSES BY NATURE

Significant expenses by nature for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Change in finished goods				
and work in process	3,298,883	(3,460,059)	3,298,883	(3,460,059)
Raw materials and supplies used	845,686	5,250,582	845,686	5,250,582
Purchase of goods	807,000	11,791,090	807,000	11,791,090
Cost of service	420,764	-	-	-
Depreciation and amortization	361,601	890,266	354,358	890,267
Employee expenses	4,428,584	14,803,383	4,428,584	14,803,383
Loss from disposal of assets	-	33,432,530	-	33,432,530
Fee	1,297,558	681,740	913,919	620,320
Loss from impairment of assets	5,439,335	-	2,654,375	-
Loss from devaluation of				
inventories	139,111	206,654	139,111	206,654

26. FINANCE COSTS

Finance costs for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expenses	801,978	1,837,342	1,530,476	2,411,602
Financial fees	92,990	38,260	92,840	38,260
Total	894,968	1,875,602	1,623,316	2,449,862



27. INCOME TAX

Corporate income tax of the Group for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 was calculated at a rate specified by the Revenue Department on accounting profit after adjusting certain conditions in according to the Revenue Code. The Group recorded the corporate income tax as expense for the year and recorded the accrued portion as liabilities in the statement of financial position.

Tax income for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 was as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current tax				
Current period	(175,261)	(102,540)	-	-
Deferred tax				
Movements in temporary differences	772,551	11,753,898	665,000	11,753,898
Tax income	<u>597,290</u>	<u>11,651,358</u>	<u>665,000</u>	<u>11,753,898</u>

Income tax recognized in other comprehensive loss for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 as follows:

	Consolidated and Separate	
	financial statement	
	2020	2019
Surplus on revaluation of assets	<u>-</u>	<u>595,000</u>



Reconciliation of effective tax rate

Consolidated financial statements				
	2020		2019	
	Tax rate		Tax rate	
	<i>Percentage</i>	<i>Baht</i>	<i>Percentage</i>	<i>Baht</i>
Loss before income tax		(11,086,199)		(54,722,251)
Income tax using the corporate tax rate	20	4,553,224	20	10,944,450
	15	268,800		-
Revenue granted income tax exemption		45,000		-
Expenses not deductible for tax purposes		(1,039,290)		(20,127)
Effect eliminated entries on consolidation		(3,010,199)		-
Tax loss for current period		(985,210)		-
Tax loss of subsidiaries		(7,587)		(10,924,324)
Current tax		(175,261)		-
Movement in temporary differences		772,551		11,651,358
Tax income	5	597,290	21	11,651,358

Separate financial statements				
	2020		2019	
	Tax rate		Tax rate	
	<i>Percentage</i>	<i>Baht</i>	<i>Percentage</i>	<i>Baht</i>
Loss before income tax		(8,973,677)		(55,234,950)
Income tax using the corporate tax rate	20	1,794,735	20	11,046,990
Expenses not deductible for tax purposes		(809,525)		(20,126)
Tax loss for current period		(985,210)		(11,026,864)
Current tax		-		-
Movement in temporary differences		665,000		11,753,898
Tax income	3	665,000	21	11,753,898



28. OPERATING SEGMENT

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Group.

The Group in a single geographic area, namely in Thailand, therefore the management considers that the Company has only one geographic segment.

The Group operates their business in production of primary industrial chemicals, educational loan Therefore, the management considers their activities and decides that the significant financial performance and financial position are as follow:

Information about major customers

For the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 the Group has revenue from major customers as follows:

	<i>Number of customer</i>		<i>Million Baht</i>	
	Major customers		Revenue	
	2020	2019	2020	2019
Primary industrial chemicals	3	3	3.67	9.92



Revenue and expenses from operation for the period from January 1, 2020 to June 30, 2020 and for the year ended December 31, 2019 are as follows:

Point for recognized income	Selling chemicals		Investment		Educational loan		Eliminated		Total	
	point in time		point in time		over time					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from sales	4,290,500	11,217,558	-	-	1,955,372	-	(258,326)	-	5,987,546	11,217,558
Cost of sales	(6,675,432)	(10,180,746)	-	-	(824,337)	-	716,181	-	(6,783,588)	(10,180,746)
Gross profit (loss)	(2,384,932)	1,036,812	-	-	1,131,035	-	457,855	-	(796,042)	1,036,812
Other income	1,149,284	740,559	-	-	23	-	(1,041,471)	(574,260)	107,837	166,300
Selling expenses	(265,904)	(677,841)	-	-	-	-	-	-	(265,904)	(677,841)
Administrative expenses	(5,160,797)	(53,371,920)	(50,300)	-	(2,111,450)	-	868,425	-	(6,454,122)	(53,371,920)
Losses from purchases										
investment in subsidiaries	-	-	-	-	-	-	2,783,000	-	(2,783,000)	-
Finance costs	(1,623,554)	(2,449,862)	(278)	-	-	-	728,864	574,260	(894,968)	(1,875,602)
Loss before income tax	(8,285,903)	(54,722,252)	(50,578)	-	(980,392)	-	3,796,673	-	(11,086,199)	(54,722,251)
Tax income	527,013	11,651,358	-	-	192,065	-	(121,788)	-	597,290	11,651,358
Loss for the periods	(7,758,890)	(43,070,894)	(50,578)	-	(788,327)	-	3,674,885	-	(10,488,909)	(43,070,893)



Assets and liabilities as at June 30, 2020 and December 31, 2019 consisted of:

	<i>Baht</i>									
	Selling chemicals product		Investment		Educational loan		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Assets										
Cash and cash equivalents	3,631,022	178,870	29,175	-	1,116,243	-	-	-	4,776,440	178,870
Short-term loans to related person	-	-	-	-	1,000,000	-	-	-	1,000,000	-
Trade and other receivables	3,848,734	1,624,293	1,000,000	-	-	-	(4,229,204)	(1,187,733)	619,530	436,560
Inventories	547,228	3,985,223	-	-	-	-	-	-	547,228	3,985,223
Property held for sale	-	6,937,477	-	-	-	-	-	-	-	6,937,477
Other current asset	121,988	334,769	-	-	15	-	-	-	122,003	334,769
Educational loan receivable	-	-	-	-	37,225,043	-	-	-	37,225,043	-
General investment	16,800,000	16,800,000	-	-	-	-	-	-	16,800,000	16,800,000
Investment property	30,759,750	30,759,750	-	-	-	-	-	-	30,759,750	30,759,750
Property, plant and equipment	41,375,475	41,729,833	-	-	117,735	-	-	-	41,493,210	41,729,833
Liabilities										
Bank overdrafts and short-term loans										
from financial institutions	22,264,660	24,789,730	-	-	-	-	-	-	22,264,660	24,789,730
Short-term loans from related parties	50,900,000	48,700,000	-	-	-	-	(48,700,000)	(48,700,000)	2,200,000	-
Trade and other payables	4,831,925	2,837,637	1,025,128	-	1,236,736	-	(4,229,204)	(1,187,733)	2,864,585	1,649,904
Long-term loans from other person	-	-	-	-	1,122,000	-	-	-	1,122,000	-
Provisions for employee benefit	1,799,698	8,543,004	-	-	-	-	-	-	1,799,698	8,543,004
Deferred tax (assets) liabilities	11,227,980	11,892,980	-	-	(681,469)	-	-	-	10,546,511	11,892,980



29. COMMITMENTS

As at June 30, 2020, the Group had commitments as follows:

The Company

29.1 Letter of guarantee issued by bank for electricity used in the amount of Baht 0.14 million and letter of guarantee for oil credit agreement in the amount of Baht 0.03 million.

29.2 Commitments for payment under agreements as follows:

29.2.1 Rental agreement for building with other persons for a period of 6 months and a monthly rental of Baht 0.01 million.

29.2.2 Service agreement with other company at a monthly service of Baht 0.08 million.

30. FAIR VALUE HIERARCHY

As at December 31, 2019 the Group had the financial assets that were measured or disclosed at fair value using different levels of inputs as follows:

	<i>Baht</i>			
	Level 1	Level 2	Level 3	Total
Financial assets as measured by fair value				
The Company				
General investments	-	-	16,000,000	16,000,000
Investment properties	-	34,937,000	-	34,937,000
Property, plant and equipment	-	65,110,000	-	65,110,000

Valuation techniques and inputs to Level 2 valuation

The fair value of investment in investment unit is determined by using the net asset value at the reporting date.

The fair value of land, building and machinery determined by independent valuers, basing on the following approach.

- Land was appraised basing on the Market Approach Method
- Building and machinery were basing on the Cost Approach Method



31. DISCLOSURE OF FINANCIAL INSTRUMENTS

31.1 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders

31.2 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in note 3.

31.3 Financial risk management policies

The Group is exposed to fluctuations in interest rates and foreign exchange rates and the risks from default of the agreements by counterparties. The Group had risk management policies as follows:

31.3.1 Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Group's operations and cash flows. The Group has interest rate risk from cash at banks, account receivable, loan from related parties, long-term loan from other person because the interest rate of the financial assets and liabilities fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates

31.3.2 Credit risk – trade receivables

The Group has a policy to hedge credit risk from trade receivables by forming credit policy and by determining the receipt from the sales of goods and service. Therefore, the Group expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.



31.3.3 Liquidity risk

Liquidity risk or the risk that an entity will encounter difficulties in raising sufficient and timely funds to the obligations identified in the financial instrument. Liquidity risk may arise from an entity's inability to sell a financial asset quickly at close to fair value.

Financial asset of the Company's consist of bank deposits, trade and other receivables loans to related parties the ability to raise funds sufficiently and in time to meet the obligations outlined in the financial instrument depends on the ability to paid other companies.

31.4 Fair value

Most of the financial assets are cash at banks, current investments and trade and other receivables which are short-term credit. Most of the financial liabilities are trade and other payable, loan from financial institutions, liabilities under finance leases and debenture with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.



32. RECLASSIFICATION

The Group has reclassified certain accounts in the financial position as at December 31, 2019 and the statements of comprehensive income for the year ended period ended December 31, 2019 to conform to the presentation of the financial statements of current period as follow:

	Consolidated financial statement			Separate financial statement		
	Before	Reclassification	After	Before	Reclassification	After
Statement of financial position						
Trade and other receivables	762,329	(325,769)	436,560	760,370	(323,810)	436,560
Other current assets	-	334,769	334,769	-	332,810	332,810
Other non-current assets	1,879,275	(9,000)	1,870,275	1,879,275	(9,000)	1,870,275
Trade and other payables	1,657,473	(7,569)	1,649,904	2,785,206	(7,569)	2,777,637
Other current liabilities	-	7,569	7,569	-	7,569	7,569
Statements of comprehensive income						
Gain on disposal of assets	11,680	(11,680)	-	11,680	(11,680)	-
Other income	154,620	11,680	166,300	154,524	11,680	166,204
Cost of sales	9,705,546	475,200	10,180,746	9,705,546	475,200	10,180,746
Administrative expenses	53,885,380	(513,460)	53,371,920	53,823,724	(513,460)	53,310,264
Financial costs	1,837,342	38,260	1,875,602	2,411,602	38,260	2,449,862