



บริษัท ไทยนามพลาสติกส์ จำกัด (มหาชน)
Thai Nam Plastic (Public) Company Limited

รายงานประจำปี 2563 ANNUAL REPORT 2020



บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย
The Leading Company for Plastic Products in Thailand

40 หมู่ 7 ถ.เพชรเกษม กม.23 ต.อ้อมน้อย อ.กระทุ่มแบน จ.สมุทรสาคร 74130 ประเทศไทย
40 Mu.7 Petchkasem Rd. Km.23, Omnoi, Samutsakorn 74130, THAILAND

Contents

	Pages
Vision and Business Strategy	1
Summary of Financial Information	2
Message from the Board of Directors	4
Management Structure	5
Board of Directors	6
Top Management	14
Nature of Business	15
Risk Factors	18
General Information and Other Information	21
Securities and Shareholders Structure	24
Corporate Governance	26
Corporate Social Responsibilities	33
Internal Control and the Internal Audit	35
Related Transactions	36
The Audit Committee's Report	37
Report on the Board of Directors' Responsibilities for the Financial Statements	39
Management Discussion and Analysis	40
Report of the Auditor and Consolidated Financial Statements	44

Vision and Business Strategy

Thai Nam Plastics Public Company Limited is a leading manufacturer of plastic manufacturing in Thailand. Started its operations on 22nd May 1970, with the main production line of synthetic leather and plastic sheets for the automotive industry, specificity in the area of Automotive Interior Trim. Moreover, it also runs a production for various types of products including the Fashioned-Furniture and Leather, Sport wearing and shoe Industry, Household plastic sheets, Civil and Agricultural Engineering etc. With an experience of more than 50 years, the Company has continued to strive to create, research, and develop innovative and novel products continuously, especially non-toxic products that meet an international standard quality and also are environmentally friendly. Furthermore, the Company still adheres to the service by producing high-quality products with international standards and fast as scheduled until the customer has always been satisfied.

Vision

To be the leader in the artificial leather and the plastic sheet that has the international quality that are used in the automotive industry worldwide and related industries.

Mission

1. This will aim for the development of the personnel to have the readiness in the management and the specific capacity that will come to support the change including having the good welfare and the compensation.
2. This will aim and contribute the culture of the safety including the environment for the overall of the organization.
3. This has to join to develop products in the group of car manufacturers and the supply chain for every car manufacturing company including other industries in every sector sustainably.
4. This will support the job in researching, developing the production technology and new materials in order to lift the quality level of the product and support new products.
5. This will have to do the participating activity in order to reduce the cost and increase the productivity for the overall of the organization.
6. This will focus on using the measuring instrument and investigating in the production process and the bringing of the automatic system to use.
7. This will have to develop the information system in every region in order to support the working and the decision efficiently.

Summary of Financial Information

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of Comprehensive Income (Baht Million)	2020	2019	2018	2017	2016
Revenue from sales	722.79	922.56	1,122.88	1,107.46	1,019.30
Cost of sales	559.31	770.05	856.55	848.82	793.09
Gross profit	163.48	152.51	266.33	258.64	226.21
Other incomes	18.35	10.11	8.28	14.34	27.21
Operating expenses	160.35	212.57	213.64	225.76	174.12
Finance costs	15.80	13.22	14.90	13.10	14.90
Income tax expense (Tax income)	3.36	22.30	26.46	46.49	39.88
Profit (loss) for the year	2.32	(85.47)	19.61	(12.37)	24.52
Basic earnings (loss) per share (Baht)	0.01	(0.27)	0.06	(0.04)	0.08
Statement of Financial Position (Baht Million)	2020	2019	2018	2017	2016
Property Plant and Equipment	299.40	336.82	342.33	310.98	347.21
Total assets	292.76	895.41	1,093.58	1,026.95	1,046.02
Total liabilities	487.00	432.80	519.14	459.21	441.93
Total shareholders' equity	442.76	462.62	574.44	567.74	604.09
Paid-up share capital	319.52	319.52	319.52	319.52	319.52
Par value (Baht/share)	1.00	1.00	1.00	1.00	1.00
Book value (Baht/share)	1.39	1.45	1.80	1.78	1.89
Financial Ratios	2020	2019	2018	2017	2016
Current Ratio (times)	1.69	1.64	1.52	1.61	1.56
Accounts Receivable Turnover (times)	4.71	4.45	4.36	5.22	5.60
Day in Accounts Receivable (days)	77.46	81.95	83.80	69.93	65.22
Inventories Turnover (times)	2.07	2.45	2.56	2.50	2.17
Day in Inventories (days)	176.75	149.16	142.65	145.81	167.98
Accounts Payable Turnover (times)	5.35	5.64	5.46	6.30	6.82
Day in Accounts Payable (days)	68.28	64.77	66.86	57.90	53.53
Assets Turnover (times)	0.78	1.03	1.03	1.08	0.97
Gross Profit (%)	22.62	16.53	23.72	23.35	22.19
Net Profit (%)	0.32	(9.26)	1.75	(1.12)	2.38
Interest Payment Capability (times)	1.36	(3.78)	4.09	3.60	5.32
Debt Equity (times)	1.10	0.94	0.90	0.81	0.73
Debt to Total Assets (times)	0.52	0.48	0.47	0.45	0.42

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Summary of Financial Information

THAI NAM PLASTIC PUBLIC COMPANY LIMITED

Statement of Comprehensive Income (Baht Million)	2020	2019	2018	2017	2016
Revenue from sales	644.25	867.24	1,103.93	1,023.55	956.97
Cost of sales	523.83	712.30	816.63	767.02	735.15
Gross profit	120.42	154.94	287.30	256.53	221.82
Other incomes	12.72	11.35	13.37	11.61	13.41
Operating expenses	194.43	240.04	236.46	229.36	175.07
Finance costs	8.47	13.14	12.67	13.04	14.81
Income tax expense (Tax income)	(0.68)	6.30	31.06	29.91	23.50
Profit (loss) for the year	(69.08)	(93.19)	20.48	(4.17)	21.85
Basic earnings (loss) per share (Baht)	(0.22)	(0.29)	0.06	(0.01)	0.07
Statement of Financial Position (Baht Million)	2020	2019	2018	2017	2016
Property Plant and Equipment	440.03	468.48	470.87	457.14	494.94
Total assets	933.20	1,053.73	1,246.28	1,186.83	1,183.80
Total liabilities	393.97	430.98	513.22	456.57	430.24
Total shareholders' equity	539.23	622.75	733.06	730.27	753.56
Paid-up share capital	319.52	319.52	319.52	319.52	319.52
Par value (Baht/share)	1.00	1.00	1.00	1.00	1.00
Book value (Baht/share)	1.69	1.95	2.29	2.29	2.36
Financial Ratios	2020	2019	2018	2017	2016
Current Ratio (times)	1.53	1.70	1.59	1.67	1.64
Accounts Receivable Turnover (times)	3.23	3.02	3.29	3.42	3.94
Day in Accounts Receivable (days)	113.00	120.76	111.00	106.64	104.60
Inventories Turnover (times)	2.23	2.61	2.72	2.57	2.38
Day in Inventories (days)	163.64	139.97	134.00	142.27	153.65
Accounts Payable Turnover (times)	4.66	5.20	5.22	5.74	6.47
Day in Accounts Payable (days)	78.36	70.16	69.94	63.59	56.39
Assets Turnover (times)	0.69	0.82	0.89	0.86	0.81
Gross Profit (%)	18.69	17.87	26.03	25.06	23.06
Net Profit (%)	(10.72)	(10.75)	1.86	(0.41)	2.28
Interest Payment Capability (times)	(7.24)	(5.61)	5.07	2.97	4.06
Debt Equity (times)	0.73	0.69	0.70	0.63	0.57
Debt to Total Assets (times)	0.42	0.41	0.41	0.38	0.36

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Message from the Board of Directors

In the year 2020, is a year that the Company was faced with several issues especially, the economic fluctuation caused by the trade war between the United States and China, as well as the coronavirus 2019 outbreak (COVID-19) that started spreading at the opening of 2020 and consequently has a widespread impact both the economy and population living among the society, either directly or indirectly. Although, Thailand, effectively controls the spread of the virus by rigorously measured. However, the country's restriction measures to control the spread of the virus have severely affected the Thai economics that relies on income from the tourism and exportation sectors, causing the purchasing power of domestic consumers to decline. As a result, the Thai economy's growth rate in the year 2020 was minus 6.1 percent, which is the lowest rate in 22 years.

In the year 2020, Thai automotive industry is straight impacted by the economic fluctuation. The aforementioned affects the confidence and buying potential of the consumers to diminish. Automobile manufacturers have cut their production. Resulting in the total production of Thai cars throughout the year at 1.43 million units, a decrease of 29.14 percent compared to previous year comprise of a production capacity of about 2.01 million units and has total car sales of 1.53 million units, divided into export cars 0.74 million units, a decrease of 30.19 percent compared to the previous year with the total of 1.05 million exported cars. While domestic sales were 0.79 million units, a decrease of 21.38 percent from the previous year with 1.01 million units. The slowdown in the automotive industry affects the Company's business operations, which its main income is from product sales in the domestic automotive industry. In the year 2020, the Company and its subsidiaries had total sales revenue of 722.79 million baht, a decrease of 199.77 million baht or 21.65 percent compared to the previous year that was 922.56 million baht and a total net profit of 2.32 million baht.

For the Thai economic in the year 2021 is forecast to rise at a rate 2.5-3.5 percent. However, economic growth going to be continuous throughout this year boosted by the expansion of the world economy, where the great economies have stimulated the market toward economic rehabilitation. Moreover, a combination of Government budget expenditures and economic incentive measures will bring back consumer purchasing power. In the meantime, there remains a risk of a new wave of COVID-19 outbreak at the end of 2020, and also from the effectiveness of vaccine roll-out. Consequently, delayed the restoration of the tourism and exportation sectors and considered as a major risk determinant for the Thai economy. Accordingly, it is expected that Thai automotive manufacturing in 2021 and will rise slightly from the previous year. The Federation of Thai Industries has set a target to manufacture 1.50 million cars divided into production for domestic sales 0.75 million units and 0.75 million units for export sales. Therefore, to comply with the trend of economic rehabilitation in the year 2021 and accomplish the goal of creating business opportunities for growth and generating sustainable returns in the long term. The Company therefore has a policy to conduct business with caution through concentrating on product research and development with efficient production technology to obtain products that engage international quality standards and meet the needs of customers. Accompanying with the delivery of products on scheduled. Please be considered that the Company's board of directors, management, and all employees are collectively striving to develop and enhance the product in the Thai automotive industry toward constant and sustainable growth.

On behalf of the Board of Directors, executives, and all employees are pleased to give a sincere thank you to shareholders, customers, business partners, and financial institutions. As well as sponsors and all stakeholders who have esteemed and trusted to support the Company's business as ever.



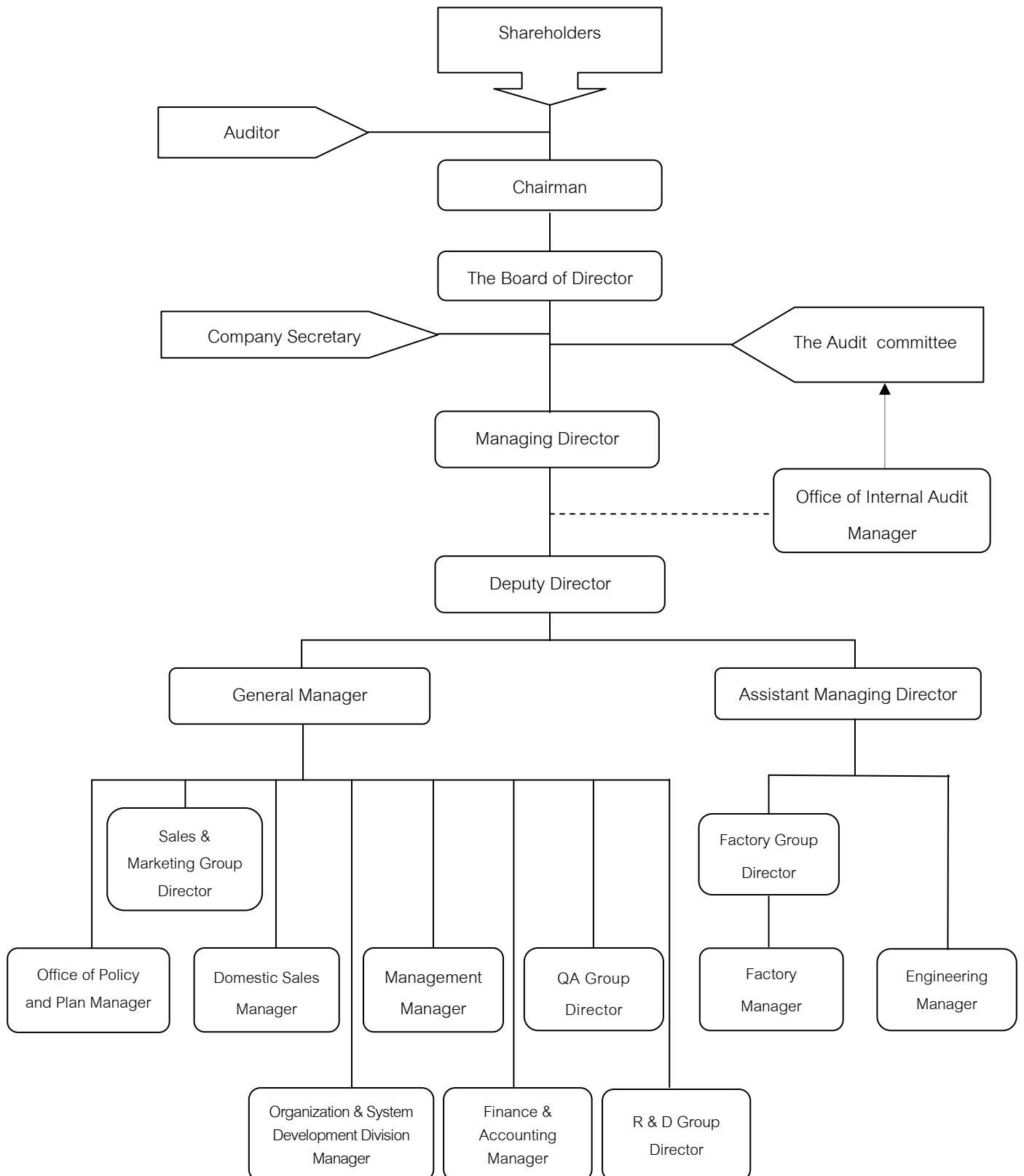
Mrs. Siriphorn Mangkornkarn
Chairman

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Management Structure

Management structure of the Company as of 31st December 2020 as follows:



Board of Directors

As of 31st December 2020, the Company's Board of Directors consists of 9 persons including:

- ❑ Executive Directors 4 persons
- ❑ Non- Executive Directors 5 persons, which are as follows:
 - Independent Directors 3 persons (account for one-third of Board members)
 - Non-managing Directors 2 persons

Names of the Board of Directors and the Attendance of the Directors' Meeting in the year 2020

Name	Position	Board of Directors' Meeting	
		Number of Meeting	Number of Attendance
1. Mrs. Siriphorn Mangkornkarn	Chairman and Managing Director	10	10
2. Mr. Kong Mangkornkarn	Executive Director	10	9
3. Miss Piyatida Mangkornkarn	Executive Director	10	10
4. Mr. Kritasorn Mangkornkarn	Executive Director	10	10
5. Mr. Thawat Treewanakul	Director	10	8
6. Mr. Chaiyanandh Lapitananuvat	Director	10	9
7. Mr. Vorathep Vithayaviroj	Independent Director and Chairman of the Audit Committee	10	10
8. Mr. Peesak Prapaiporn	Independent Director and Member of the Audit Committee	10	8
9. Mr. Wutipong Vechayanon	Independent Director and Member of the Audit Committee	10	8

Remark : In the year 2020, There were 10 times of the Company's Board's Meeting.

Definition of Board of Directors

Executive Directors	Means:	The directors who had a position in the management and are involved in day-to-day operations of the organization.
Non- Executive Directors	Means:	The directors who do not hold a position in the management, may or may not be an independent director, and are not involved in day-to-day operations of the organization.
Independent Directors	Means:	Independent directors or outside directors who are not engaged in day-to-day management of the organization and are not major shareholders, Furthermore, Independent directors must have no such connection with a major shareholder, group of major shareholders, or other stakeholders.

The Company's Board of Directors consists of 9 persons:



Mrs. Siriphorn Mangkornkarn
Chairman and Managing Director



Mr. Kong Mangkornkarn
Executive Director



Miss Piyatida Mangkornkan
Executive Director



Mr. Kritasorn Mangkornkarn
Executive Director



Mr. Thawat Treewannakul
Director



Mr. Chaiyanandh Lapitananuvat
Director



Mr. Vorathep Vithayaviroj
Chairman of the Audit Committee
and Independent Director



Mr. Peesak Prapaiporn
Independent Director and
Member of the Audit Committee



Mr. Wutipong Vechayanon
Independent Director and
Member of the Audit Committee

Biography of Board of Directors

Name	Education	Working Experiences	
		Period	Position/Agencies/Company
1. Mrs. Siriphorn Mangkornkarn Chairman and Managing Director Age 80 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold 2.70 Attendance of Board's Meetings : 10/10	BA in Commerce and Accounting (Accounting), Thammasat University	Present	- Managing Director: Taweewattana Logistics Co., Ltd. Thai Nam Automotive Performance Co., Ltd. Citric Acid Industry Co., Ltd.
2. Mr. Kong Mangkornkarn Executive Director Age 51 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold 3.80 Attendance of Board's Meetings : 10/9	MBA, Mercer University Atlanta, USA	Present	- Managing Director, TNV Plastics (Proprietary) Limited - Executive Director, Thai Nam Automotive Performance Co., Ltd.
3. Miss Piyatida Mangkornkan Executive Director Age 54 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold 3.84 Attendance of Board's Meetings : 10/10	MBA, Mercer University Atlanta, USA	Present Former	- Executive Director: Taweewattana Logistics Co., Ltd. TNV Plastics (Proprietary) Limited - Manager, Credit Underwriting Dept (for MBXCB), TMB Bank Public Co.,Ltd. - Manager, Credit Analysis Dept, TMB Bank Public Co.,Ltd. - Manager, Investment Business Dept, TMB Bank Public Co.,Ltd.
4. Mr. Kritasorn Mangkornkarn Executive Director Age 45 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold 4.22 Attendance of Board's Meetings : 10/10	Master Degree in Industrial and Organization Psychology Liberal Art Faculty, Thammasat University	Present	- Executive Director: Thai Nam Automotive Performance Co., Ltd. Citric Acid Industry Co., Ltd. - General Manager: Thai Nam Plastic Public Co.,Ltd. Thai Nam Automotive Performance Co., Ltd.
5. Mr. Thawat Treewannakul Director Age 61 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold -none- Attendance of Board's Meetings : 10/8	MA, Industrial Engineering Faculty, Asia Institute of Technology (AIT)	Present	- Senior Executive Vice President, Bangkok Bank Public Co.,Ltd. - Director: Seacon Development Public Co.,Ltd. Bualuang ventures Co., Ltd. Panuspoultry Group Co., Ltd.

Name	Education	Working Experiences	
		Period	Position/Agencies/Company
6. Mr. Chaiyanandh Lapitananuvat Director Age 66 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold -none- Attendance of Board's Meetings : 10/9	MBA, University of South Alabama, USA	Present Former	- Executive Director, Kimchua Group Co., Ltd. - Company Consultant, KCG Corporation Co., Ltd. - Chairman of the board of Adviser, Islamic Bank of Thailand - Executive Vice President, Thanachart Bank Public Co., Ltd.
7. Mr. Vorathep Vithayaviroj Chairman of the Audit Committee and Independent Director Age 76 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold -none- Attendance of Board's Meetings : 10/10	Master of Science (Management), Mississippi State University, USA	Former	- Senior Management the debt, Bank of Thailand - Assistant Director of the South Branch, Bank of Thailand - Head of Branch Office of the Governor, Bank of Thailand
8. Mr. Peesak Prapaiporn Independent Director and Member of the Audit Committee Age 67 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) Percent of Shares hold -none- Attendance of Board's Meetings :10/8	BA in Accountin (Costing) Chulalongkorn University	Former	- Vice President (senior), TMB Bank Public Co.,Ltd. - Vice President (senior), The Industrial Financial Corporation Of Thailand.
9. Mr. Wutipong Vechayanon Independent Director and Member of the Audit Committee Age 59 Years old Nationality Thai Trainings: - Participating the Director Accreditation Program (DAP) - Director Certification Program (DCP) Percent of Shares hold -none- Attendance of Board's Meetings : 10/8	Master of Law, Harvard University, USA	Present Former	- Managing Director, TR Asset Management Co., Ltd. - Assistant Managing Director, Pruksa Real Estate Public Co., Ltd. - Risk Management Committee General Counsel, SME Bank - Audit Committee, The Cambodian Commercial Bank - Executive Director, Siam Commercial Plus Co.,Ltd. - President, Siam-Niti Law Office - Executive Vice President, Siam Commercial Bank Public Co.,Ltd.

Name	Education	Working Experiences	
		Period	Position/Agencies/Company
10. Miss Somsuan Khondon Company's secretary Age 55 Years old Nationality Thai Trainings: - Company Secretary Program (CSP) - Effective Minute Taking (EMT) - Anti-Corruption: The Practical Guide (ACPG) Percent of Shares hold -none- Attendance of Board's Meetings : 10/10	BA in Accounting, Wongchawalitkul University	Year 1991 - Present	- Information Department Manager Thai Nam Plastic Public Co., Ltd
11. Mr. Chairaj Kongsiripanich Secretary of the Audit Committee Age 57 Years old Nationality Thai Trainings: - Fundamental Practice for Corporate Secretary Percent of Shares hold 0.02 Attendance of Board's Meetings : 10/10	MBA, Thammasat University	Year 1996 - Present	- Office of Internal Audit Manager Thai Nam Plastic Public Co., Ltd.

Remark : In the year 2020, There were 10 times of the Company's Board's Meeting.

Scope of Duties & Responsibilities of the Board of Directors

1. To carry on the Company business in accordance with the laws.
2. To appoint a director or directors or any person to be manager, managing director, vice president to perform their duties under the Board of Directors' control, and to make a power of attorney to director, manager, managing director, vice president and/or any other person to empower.
3. To remove or revoke, change a manager, superintendent or other senior employees of the Company and/or to correct such powers when considered not suitable to manage the Company's business.
4. To sell or mortgage any of the Company's immovable property or hire out any of the Company's immovable property for more or less than 3 years and/or the Company's benefits.
5. To fix the amount of salary, remuneration, reward, bonus or any other benefit for the Company's employees.
6. To appoint attorneys or to be a party in a litigation in a civil suit and a criminal case and/or a bankruptcy case, to compromise a claim and to submit to arbitration any claim.
7. To set the employees' regulation and the Company's operation.
8. To fix the interim dividends payable to the shareholders.
9. To select a person or persons whose qualifications not prohibited by Public Laws to be a director to be filled in a vacancy among the directors other than a retirement by rotation.
10. To select a number of appropriate directors to be executive directors.

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Appointment of Directors

To appoint the Company's directors, it shall be followed by the resolution of the shareholders' meeting according to the following principles and methods:

1. One shareholder shall have one vote for each share.
2. By electing the director, each shareholder shall vote all his votes (According to Item 1.) by voting for one or more director(s). This is according to resolution from the shareholders' meeting. However, by each voting, each shareholder shall vote all his votes and shall not give or separate his vote to certain person unequally.
3. By voting to appoint the directors, the persons who will be voted to be director shall have majority votes. The person who receive highest votes respectively shall be elected to be directors of which the number of the directors shall be equal to the number of directors available in that election. In case that the next elected persons, having the same number of votes, are more than the number of available directors in that election, the arbitration will be given by the Chairman of the meeting.

Additionally, in case that the position of director is vacant because of other reasons with the exception of periodical resignation, the appointment of the director can be resolved by the resolution from Company directors with votes not less than $\frac{3}{4}$ from the number of available directors. Directors shall elect appropriate persons to be replaceable directors in the next meeting with the exception that the period of directors is less than 2 months. Besides, the persons who are entitled to be the replaceable directors shall be entitled to be the directors only within the remaining period of the previous directors.

Audit Committee

The Audit Committee member has a term of office of 2 years each. As of 31st December 2020 the Audit Committee is comprised of independent non- executive directors as follows:

Names	Position	The Audit Committee Meetings in 2020	
		Number of Meeting	Number of Attendance
1. Mr. Vorathep Vithayaviroj	Chairman of the Audit Committee	7	7
2. Mr. Peesak Prapaiporn	Member of the Audit Committee	7	5
3. Mr. Wutipong Vechayanon	Member of the Audit Committee	7	6
4. Mr. Chairaj Kongsiripanich	Secretary to the Audit Committee	7	7

Remark In the year 2020, There were 7 times of the Audit Committee Meeting.

Scope of Duties and Responsibilities of Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate the Company's independent auditors and set their fee giving consideration to reliability and adequacy of resources, and amount of audit work by such independent auditors, including experiences of personnel assigned to audit the Company's accounts as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual statements (Form 56-1) and the annual report (Form 56-2), an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (b) an opinion on the adequacy, of the Company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business;
 - (d) an opinion on the suitability of a auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter;
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.
8. To report its performance of the audit committee to the Board of Directors at least once a quarter.
9. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially effect the Company's financial condition and operating results, the audit committee shall report it to the Board of Directors for rectification within the period of time that the audit committee thinks fit:
 - a. a transaction which causes a conflict of interest;
 - b. any fraud, irregularity, or material defect in an internal control system ; or
 - c. an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Board of Directors or its management does not rectify within the determined period, any member of the audit committee may report the transaction or any of the above-mentioned acts to the Securities Exchange Commission or the Stock Exchange of Thailand.

10. In order to let the audit committee act its duties through its objectives, the audit committee shall have the following powers:

(a) The power relating to the management;

The audit committee shall have its power to invite the management, chief of the unit or concerned employees for any meetings, declaration, giving an opinion or delivery the related and necessary documents.

(b) The power relating to the internal auditor;

- 1) to co-ordinate and set the good understandings between the external auditors, the Board of Directors and the internal audit unit.
- 2) to give an opinion to appoint, transfer, dismiss and propose the remuneration of chief of the internal audit unit.
- 3) to guarantee the independence of the internal auditor.
- 4) to determine the acts of internal audit unit under the governance and direct control of the audit committee.

(c) The power relating to the external auditor;

- 1) to review and appraise the performance of the external auditor.
- 2) to recommend the names of the external auditors as well as the annually auditing remuneration for the annual general shareholders' meeting's consideration.
- 3) to determine other service fees and advisory fees of the external auditors.
- 4) whenever receiving the facts from the external auditors regarding doubtful behavior of Managing Director or concerned persons in doing faults, the audit committee shall report the initial investigation to the Securities Exchange Commission and the external auditors within 30 (thirty) days since the information date.

If the audit committee does not perform as the external auditors indicate, the external auditors shall inform to the Securities Exchange Commission.

(d) Powers in other area;

The audit committee has the power to investigate concerned persons in the scope of its duties and responsibilities as well as to employ independent professional advisors when necessary.

Remuneration of the Board of Directors in the year 2020

According the AGM 2020 held on 24th July 2020, The shareholder's had approve the remuneration of the Non-Executive Directors and the remuneration of the Audit Committee as follows:

<u>Remuneration</u>	<u>Remuneration Rate</u>
- Non-Executive Director	20,000 Baht/person/month
- Chairman of Audit Committee	20,000 Baht/month
- Member of Audit Committee	10,000 Baht/person/month

Remuneration of the Board of Directors and Audit Committee in the year 2020

Name	Position	Remuneration (Baht)		
		Directors	Audit Committee	Total
1. Mrs. Siriphorn Mangkornkarn	Chairman	-	-	-
2. Mr. Kong Mangkornkarn	Executive Director	-	-	-
3. Miss Piyatida Mangkornkan	Executive Director	-	-	-
4. Mr. Kritasorn Mangkornkarn	Executive Director	-	-	-
5. Mr. Thawat Treewanakul	Director	240,000	-	240,000
6. Mr. Chaiyanandh Lapitananuvut	Director	240,000	-	240,000
7. Mr. Voratthep Vithayaviraj	Chairman of the Audit Committee and Independent Director	240,000	240,000	480,000
8. Mr. Peesak Prapaiporn	Independent Director and Member of the Audit Committee	240,000	120,000	360,000
9. Mr. Wutipong Vechayanon	Independent Director and Member of the Audit Committee	240,000	120,000	360,000
Total		1,200,000	480,000	1,680,000

Top Management

The management as of 31st December 2020 as follows:

Names	Position	Number of Shares Hold On 31 st December 2020	
		Number	Percent
1. Mrs. Siriphorn Mangkornkarn	Managing Director	8,635,045	2.70
2. Mr. Kong Mangkornkarn	Executive Director	2,134,890	3.80
3. Miss. Piyatida Mangkornkan	Executive Director	12,271,440	3.84
4. Mr. Kritasorn Mangkornkarn	Executive Director	13,469,951	4.22
5. Mr. Viroat Anantachotkakul	Assistant Managing Director	-	-
6. Mr. Pranot Kotchabhakdi	Sales & Marketing Group Director	-	-
7. Mr. Suriya Ruangsamret	QA Group Director	-	-
8. Miss Kanjana Boonyuenvitaya	R&D Group Director	-	-
9. Mr. Hemsuwan Padcha	Factory Group Director	-	-
10. Mr. Somchai Phaopongthai	Deputy Manager Finance and Accounting	-	-

Remark In the year 2020, the number of share hold by the top management in the Company has not changed during the year.

Remuneration of the Management in the year 2020

- Total remuneration for the Management consists of 10 executive directors and management total of 19.39 million baht.
- Forms of remuneration: Salary and Bonus
- Other form of remuneration: Insurance, Health Insurance, Contribution to provident fund and Social security fund and Employee Benefits.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Nature of Business

The Structure of Income and Product Characteristics

The sources of income are contributed from the 2 main products of:

1. Synthetic leather and film/sheet for automotive industry with specific items for Automotive Interior Trim ie. upholstery, door panel, ceiling, flooring. These products are also applied in the industry of sports shoes, sport items eg. various sports balls. Additionally, they cover the industry of furniture, fashionable leather for bags, shoes and belts.
2. Flexible film/sheet is designed and used in civil engineering as geo-membrane lining for ponds of water treatment, minerals deposit. The engineering sheets are also used in the dams construction for hydro electricity generation or irrigation reservoir. In the agricultural field, they are used in the ponds for prawn and fish farm. Other household items are included as table cover sheets, shower curtain, rain coat, umbrella, tent. Other items are for packaging, office stationery ie. diary cover etc.

In the year 2020, the Company's total sales revenue from all items of product amounted of 644.25 million baht represented decrease of 223.02 million baht or 25.72 percent from the previous year. The total revenue was from domestic sales of 582.59 million baht and export sales of 61.66 million baht or in percentage of 90 : 10, as follows:

Products	2020		2019		Variance +/-(-)	
	Baht Million	%	Baht Million	%	Baht Million	%
Domestic Sales:						
1. Synthetic leather and film/sheet For sports shoes and other industries	416.51	64.65	543.47	62.66	(126.96)	(23.36)
2. Flexible film/sheet automotive/	165.93	25.76	182.78	21.08	(16.85)	(9.22)
3. Other	0.15	0.02	24.23	2.79	(24.08)	(99.38)
Sub-total	582.59	90.43	750.48	86.53	(167.89)	(22.37)
Export Sales:						
1. Synthetic leather and film/sheet For sports shoes and other industries	1.28	0.20	74.04	8.54	(72.76)	(98.27)
2. Flexible film/sheet automotive/	46.61	7.23	14.12	1.63	32.49	230.10
3. Other	13.77	2.14	28.63	3.30	(14.86)	(51.90)
Sub-total	61.66	9.57	116.79	13.47	(55.13)	(47.20)
Total Sales Revenue	644.25	100.00	867.27	100.00	(223.02)	(25.72)

Major moves and developments

The Company continues to research and development of synthetic leather to create novel products in enhancing the quality of the Company's products that meet high quality according to international standards which exceeding the competition. To be accepted in the automotive industry customers around the world. To increase competitiveness and expand new customer base including the development of environmentally friendly products in line with the current social trends that emphasize environmental conservation. It has been recognized that the quality of the products is the most trustworthy among the automotive markets in both Japan and America for a long time.

In the year 2020, the Company has developed and manufactured synthetic leather made from polyurethane for making seats and interior decoration, sports equipment, furniture, and fashion leather. Which will be able to penetrate the automotive and related industries from the year 2021 onwards

Marketing and Competition in the year 2020

In the year 2020, the Thai automotive industry has production of 1.43 million vehicles, a decrease of 0.587 million units or 29.14 percent compared to the previous year with making of 2.01 million units but higher than the target of 1.40 million units. Moreover, a total car sales of 1.53 million units divided into 0.792 million domestic car sales, a decrease of 0.215 million units or 21.38 percent and 0.736 million units sales for export sales, a decrease of 0.318 million units or 30.19 percent. The Company's main product is still a synthetic leather used for the 1-ton truck interiors segment. Accordingly, in the past year 2020, the Thai automotive enterprise has been seriously affected by the situation of the COVID-19 pandemic. Causing the car construction plant to halt production during April - July 2020, affect the manufacturer of car parts that sell to the automotive industry has to reduce or stop production at some time, which complies with the requirement of the customer. Notably, the save cost policy has been declared to diminish production costs. With various cost reductions along with increasing the efficiency of inventory management and production in line with the slowing economy. While increasing work efficiency through decreasing the number of employees and adjusting their work according to the time to satisfy such situations.

Currently, the Company is also one of the manufacturers responsible for automotive interior parts covered by both domestic and international auto parts manufacturers. In the year 2020, the Company had sales of synthetic leather products to the automotive industry in the amount of 471.53 million baht, declining 25 percent from the previous year. Additionally, the leatherette products used for car seats still the main product in the automobile segment accounting for 61 percent of the total sales volume and with the total sales volume of all car products at 1.93 million meters, a decrease of 0.60 million meters from the previous year. The drop in sales was the impact of the COVID-19 pandemics control measure, with the travel restrictions led to losses in economic activity from Q2 to Q4 2020 for the global has been slowing down. Although the situation began to relax at the end of the year still the COVID-19 outbreak in foreign countries still affects the Company's businesses including the logistics and procurement of raw materials which such difficulties remain continued to impact in the year 2021.

Summary of the Automotive Industry in the year 2020

In the year 2020 issues that the Thai automotive business has been directly impacted by the continued and severe COVID-19 pandemic, both domestically and globally. The government therefore issued measures to suppress the spread of the COVID-19 virus, such as travel restrictions, locking cities, and the country. These protocols causing the economic motion to paused and further affecting almost all vehicle manufacturers to stop production during April - July 2020. Nevertheless, the result of the closing of car production directly affects the Company, which produces and supplies automobile parts, the Company hence has to reduce production line or hold proceeding at some step. Accordingly hitting sales during that period although the automotive business began to recover in August 2020 and the automobile assembling plant began to gradually resume producing cars, still the Company was affected due to the problem of obtainment of raw materials both in the country and abroad. The aforementioned is because raw material producers are also affected by the outbreak.

At the same time, the Company has been striving to reduce the production according to the dizzier orders from customers, as well as reduce the employee's expenses, adjust the purchase of raw materials according to the production, and internal management for maximum efficiency but taking into account the quality of life of employees and working circumstances too. Luckily, received cooperation from employees, raw material suppliers, and all stakeholders in every sector, eventually the corporation has crossed such a critical point smoothly.

Automotive Industry trends in the year 2021

The chances for the Thai automotive industry in the year 2021 is presumed to overcome the previous year, according to estimates from the Federation of Thai Industries that have locked a target of 1.50 million vehicles rising from the year 2020 of 0.073 million units or 5.12 percent higher divided into the production of cars for domestic sale of 0.75 million units or 50 percent of the total production and exportation of 0.75 million units considering for 50 percent of the total production. However, some factors may affect the component companies in the Thai automotive industry includes concerning the spread of the new wave COVID-19 virus globally causing the industrial situations of Thailand and partners have not completely recovered. Besides, there is also a difficulty in logistics and raw material procurement in the fundamental industrial area, which continues to be an obstacle since the end of 2020, resulting in the shortage of some parts for both domestic and international automobile production. In a conclusion, the production of some cars is slowed down or the production yield is decreased. However, there are still indications of good restoration for domestic production that has benefited from the government's economic incentive policies that resume the usual economic activities of the manufacturing sector, as well as the recovery of the tourism sector, is expected to return in the third quarter and the fourth quarter of 2021, which will increase the demand for production.

From the situation of the spread of the COVID-19 virus that began to resolve as well as reducing economic activity measures, the Company has made arrangements to effectively pass the stagnation of production and delivery in the last year. Although the development of new products such as non-PVC leatherette products will suffer delays. Still, in the year 2021 there is a good signal from customers to start shipping such products in the second quarter of the year 2021, which the development of new products is the policy of the Company. Focusing on producing new products for domestic car manufacturers to formulate business opportunities in the future. This is considered a strength in the business of the Company to maintain and evolve sustainably.

Risk Factors

The Company is mainly engaged in the business of producing synthetic leather and plastic sheets for car interior trim for the industry. Including used in the footwear/sports equipment industry, leather furniture and fashion leather, packaging, civil engineering, and agricultural works. Subsequently, in which in the year 2020 there are risk factors that may affect the Company's business operations and subsidiaries both from internal and external factors summarized as follows.

■ Internal risk factors

Production risk

- ❑ Fluctuations in raw material expenses affect the cost of production essentially for PVC compound and paste resin, which is the main raw material used in the production of synthetic leather plus plastic sheets. In addition, raw elements used in the production are supplied to the automotive industry and parts customers. The product itself is principally defined by the specifications and needs of the customer. Therefore, it has to use raw materials with specific features such as stabilizers and plasticizers, moreover other manufacturers in the same industry are required to obtain quality products that meet client demands. Consequently, there is no meaningful difference between the companies and other manufacturers. Collectively with the Company, there is a criterion for reviewing the price of the product with the customer, while the price has a significant shift headed to the risk factors from the fluctuation of raw material prices have a slight influence upon the business operations.
- ❑ Variations toward production technology, The Company has two processes for the production of synthetic leather and plastic sheet, which are roller forming (Calendering Process) and casting process. Currently, there are significant changes to these systems, although the production process of the roll forming method is a production technology that has a long service time, however, the Company has developed and improved the production process to increase the efficiency of the roll forming process. Accordingly, the production of machinery needs to be updated and has sufficient capacity to be able to produce such products that meet the standard quality according to the needs of customers. Hence there is no risk from such change in production technology.

Marketing risk

- ❑ Price competition is not much conflict because the Company's products is a leatherette product largely used in the domestic automotive industry where the customer specifies the product qualification requirements to build products. In addition, few competitors have qualifications in producing synthetic leather that has been accepted by customers. While the general manufacturing market is footwear, furniture leather, fashion, packaging, stationery printed, which looks like a commodity. Furthermore, there is a high price competition available, thus the Company does not give attention to match in price. However, it will focus on product quality and service according to customer demands at a fair selling rate. At the same time, the Company continuously strives to research and develop product quality with trading partners to increase competitiveness in terms of quality together with the affordable price.
- ❑ Replacement products, there is quite a bit of risk because the Company's products especially synthetic leather goods, which are the main products of the Company. There will be a variety of genuine leather and fabric products that can be used as a replacement. It depends on the purpose and market interest of the producer to be used. Moreover, the physical features and price of the product define the need for use, where genuine leather products are rare today. Hence, it is difficult to maintain an affordable price. For fabric products, there are

physical properties that can be designed and woven in a wide variety of patterns, has a cheaper price, inferior maintenance, and durability while artificial leather products can be developed to have similar properties to real leather. Still durable and easy to maintain there is also a mid-range price between genuine leather and fabric products. According to the multiple properties that allow operators in the automotive industry to classify the use of interior products such as genuine leather, artificial leather, or fabric, with inconsistent quality and price to discover the requirements of target customers.

- ❑ Dependence, the main profit of the Company originates from synthetic leather products toward the automotive industry more than 70 percent of the sales revenue comes from the aforementioned markets. On the one hand, it can be recognized that there is a moderately high risk of dependence on one market. Nevertheless, if considered in terms of income stability, the automotive industry market is one of the main industries of Thailand by several automobile production bases, including Europe, Japan, and China, as well as government and private sectors, have established definite goals and rise plans to make Thailand a superior production and exportation station of vehicles globally. Additionally, ready to be an important production base of electric vehicles in the future thus it is considered to be a powerful point in making business with the automotive industry continuously, therefore the Company has a tiny risk of revenue dependency.

Financial risk

- ❑ Financial status, during the past year 2020, the Company could not make a profit from sales due to the slowdown in the automobile industry (measures to control the spread of the COVID-19 virus). While the Company enhanced investment in machinery and production process improvements to raise production yield as well as the creation of new products to support brand-new markets. The Company has a policy to manage investments and cash equivalents to be sufficient for its operations. Therefore, a credit line is obtained from a financial institution to reserve (if necessary) and to reduce the impact of cash flow fluctuation that may occur.
- ❑ Credit, the Company's credit for commercial purposes almost low risk since most of the customers are automotive customers who are tremendous companies that have a reputation credit and financial position. It also has a diverse and large customer base. It also has a lengthy relationship with business, therefore there is no risk in this area except in the case of new customers which the company. There are criteria and schemes for granting credit on a case-by-case basis for credit exposure to related parties. However, the executives have established appropriate credit control policies and systems.
- ❑ Financial cost, the Company has financial costs that come from the use of loans from financial institutions, such as overdrafts, commercial credit, short-term loan and long-term loan (the interest rate shifts according to the capital market rate), which the Company believes that the future fluctuation of the capital market interest rate will not have a material effect on the operating results and cash flows of the Company. At present, the Company does not apply any derivative financial tools to limit such risk.
- ❑ Exchange rate, because some of the commercial transactions are in international currency, which may have a risk of exchange rate inconstancy. However, in order to reduce the exchange rate risk, the Company will have measures to reconsider starting into international currency advancing contracts as appropriate to prevent and mitigate the impacts of such international exchange risk.

International investment risks

The Company invests in South Africa with the TNV Plastics (Proprietary) Limited as a subsidiary company. It is a company responsible for producing, distributing, importing, and exporting leather products for the automotive and common industries in order to increase business opportunities and expand markets in that region, but, investment in this region still carries business and financial risks. The exchange rate used is the ZAR currency which the Company is aware of such risk through considering various mechanisms and measures sparingly and still be able to control the risks to an acceptable level.

Human Resource Risk

Human Resource Management Risk is a risk that may have an impact on the Company's business in the long run. Principally due to the lack of successors in key areas such as production and marketing, the Company is well aware of risks in the said field consequently considered recruiting human resource development training to pass on knowledge, competence, and experience from current management. In order to replace significant positions. Still, to reduce the risk factor in human resources, the Company is required to renew jobs for some of the employees who are due to retire along with accelerating the development of personnel within the organization and recruiting from outside to inherit that place.

■ External risk factors**Economic conditions**

Economic volatility is an important factor that directly affects the Company's operations, which in the year 2020 the Company has been affected by the economic slowdown caused by the situation of the COVID-19 virus outbreak. The Company has set a policy to reduce the impact of such factors to get through this crisis include control and reduce production costs, wages energy, and other expenses along with the proper management of financial liquidity. It is expected that the economic conditions will gradually recover in the following year.

Society and environment

The Company has always given importance to society and the environment. This is because it is an important factor affecting the reputation and image of the company. The emphasis is placed on the supervision of the production process to match or exceed standard or better norms as required by laws and regulations. Remarkably as not to have an impact on the environment including strengthening relationships, supporting and helping activities that benefit society and communities (public health education and charities) Besides, the Company has given more importance to the use of environmentally friendly commodities either using materials that do not contain toxic compounds or using materials that can be recycled which corresponds to the needs of customers. In conclusion, the risk factors in this matter have little impact on the company.

Industry condition

The automotive industry has a direct impact on the Company's business operations since the main income of the company comes from automotive manufacturing customers in Thailand, which produces cars for sale in the country and export. Therefore, the change of industrial conditions especially the slowdown in the global automotive industry. In the year 2020, the automotive industry has been affected by the economic fluctuation caused by the severe COVID-19 crisis around the world. This issue impact business operations the company therefore has measures to improve production efficiency and develop product quality to expand customer base and distribute products to customers in other industries. the Company hence adapted to keep up with the event by keeping up to date with news and changing situations of the said industry all the time.

General Information and Other Information

Listed Company	Thai Nam Plastic Public Company Limited
Securities Symbol	TNPC
Registered No.	0107537000769
Registered Capital	Amount of 372,768,490 baht divided into the ordinary share amount of 372,768,490 shares at par value of 1 baht per share
Paid-Up Registered Capital	Amount of 319,516,823 baht divided into the ordinary share amount of 319,516,823 shares at par value of 1 baht per share
Date of Establishment	22 nd May 1970
Office and Factories	40 Moo 7, Petchakasem Road, K.M. 23, Omnoi, Amphur Kratumban, Samutsakorn Province 74130 Tel : (66 2) 119 3200, 420 9968-74 Fax : (66 2) 119 3233, 420 1827, 420 9967 Website : www.thainam.com e-mail : sales@thainam.com
2 nd Factory	89/1-2 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang, Samutsakorn Province 74000 Tel : (66 34) 468 102-8, 830 325-8, 830 712, 830 715-9 Fax : (66 34) 468 101, 468 109-10
Main Business	Manufacture and distribute the following semi-finished products : 1. Synthetic leather and film/sheet for the industries of automotive, sports shoes, furniture and fashionable leather 2. Flexible film/sheet for the application in household, civil engineering and agricultural functions
Production Capacity	In the year 2020, actual production capacity was 3,910 metric tons representing to 24.14 percent of its attainable capacity which was stood at 16,200 metric tons per year
Number of Employees	448 persons at the end of 31 st December 2020
Securities Registrar of TNPC	Thailand Securities Depository Company Limited 14 th Floor, The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Auditors	Miss Techinee Pornpenpob Certified Public Accountant No. 10769 and/or Mr. Thanawut Piboonsawat Certified Public Accountant No. 6699 and/or Miss Sulalit Ardsawang Certified Public Accountant No. 7517 and/or Miss Wannisa Ngambuathong Certified Public Accountant No. 6838 Dharmniti Auditing Co.,Ltd. 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800 Tel : (66 2) 587 8080 Fax : (66 2) 586 0301

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Juristic Persons of which the Company Holds Securities over 10 Percent

■ Taweewattana Logistics Company Limited

Date of Establishment	6 th November 2007
Office	40 Moo 7, Petchakasem Road, Omnoi, Amphur Kratumban, Samutsakorn Province 74130
Paid-up Registered Capital	Amount of 3,000,000 baht at par value of 10 baht per share
Number of Shares hold by the Company	Amount of 299,970 shares representing of 99.99 percent
Main Business	Investment and sale of PVC Product

■ Thai Nam Automotive Performance Company Limited

Date of Establishment	24 th January 2002
Office	40 Moo 7, Petchakasem Road, Omnoi, Amphur Kratumban, Samutsakorn Province 74130 Tel : (66 2) 119 3200, 420 9968-74 Fax : (66 2) 119 3233, 420 1827, 420 9967
Factory	89/1 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang, Samutsakorn Province 74000 Tel : (66 34) 468 102-8, 830 325-8, 830 712, 830 715-9 Fax : (66 34) 468 101, 468 109-10
Paid-up Registered Capital	Amount of 10,000,000 baht at par value of 10 baht per share
Number of Shares hold by the Company	Amount of 999,995 shares representing of 99.99 percent
Main Business	Operate the business sheet cutting and Laminate Foam service for Thai Nam Plastic Public Company Limited's group.

■ TNV Plastics (Proprietary) Limited

Date of Establishment	24 th November 2010
Factory	No. 40 Olive Way, Olive Grove Industrial Park, Ou Paardevlei Road, Somerset West, 7130 South Africa
Paid-up Registered Capital	Amount of 1,000,000 Rand equal of 4.28 million baht at par value of 1 Rand per share or 4.28 baht per share
Number of Shares hold by the Company	Amount of 1,000,000 shares representing of 100 percent
Main Business	Manufacture and distribute Polyvinyl chloride (PVC) products

■ T.N.P. Industry Company Limited

Date of Establishment	3 rd November 1983
Factory	87/9 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang, Samutsakorn Province 74000 Tel : (66 34) 468 102-8, 830 325-8, 830 712, 830 715-9 Fax : (66 34) 468 101, 468 109-10
Paid-up Registered Capital	Amount of 214,196,650 baht at par value of 10 baht per share
Number of Shares hold by the Company	Amount of 21,269,665 shares representing of 99.30 percent of which were totally sold to Taweewattana Logistics Company Limited in November 2007.
Main Business	Manufacture and distribute transparent & opaque semi-rigid PVC sheet using for packaging, file stationery, christmas tree, credit card etc.

Reference Persons

Securities Registrar of TNPC

Thailand Securities Depository Co., Ltd.
14th Floor, Stock Exchange of Thailand
93 Rachadapisek Road, Dindaeng,
Dindaeng, Bangkok 10400
Tel : (66 2) 009 9000
Fax : (66 2) 009 9992

Auditor

Miss Techinee Pornpenpob
Certified Public Account No. 10769
Dharmniti Auditing Co.,Ltd.
267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800
Tel : (66 2) 587 8080
Fax : (66 2) 586 0301

Lawyer

Mr. Teerasak Ch.Rojprasert
Chom Thong 47 Lawyer and Accounting Office
43/55 Soi Wutakard 47 Railway side Road,
Bangkaw, Khet Chom Thong, Bangkok
Tel : (66 2) 875 6026-7
Fax : (66 2) 875 6028

Company Secretary

Miss Somsuan Khondon
Thai Nam Plastic Public Company Limited
40 Moo 7, Petchakasem Road, K.M. 23, Omnoi,
Amphur Kratumban, Samutsakorn Province 74130
Tel : (66 2) 119 3235, 119 3200 # 185
Fax : (66 2) 119 3233, 420 1827, 420 5055

Securities and Shareholders Structure

Registered Capital

The Company has registered capital and paid-up capital as of 31st December 2020 as follows:

- ❑ Registered capital of 372,768,490 baht divided into the ordinary share amount of 372,768,490 shares at par value of 1 baht per share.
- ❑ Paid- up registered capital of 319,516,823 baht divided into the ordinary share amount of 319,516,823 shares at par value of 1 baht per share

Major Shareholders

The major shareholders influence the Company's policy management or operation significantly as of 31st December 2020 as follows:

Names	Number of Shares hold	Percent
1. Group "Mrs. Siriphorn Mangkornkarn" (2)	46,511,326	14.56
2. Bangkok Bank Public Company Limited	31,351,994	9.81
3. Mr. Somsakul Asawacharoenharn	28,688,800	8.98
4. Mrs. Siriwan Sriphahol	15,590,229	4.88
5. Mr. Makorn Suwanarpa	14,890,138	4.66
6. Miss Umaphorn Sawangwan	14,673,343	4.59
7. Miss Noi Saetang	14,540,767	4.55
8. Mr. Paisan Sumrangitdumrong	14,342,045	4.49
9. Krung Thai Bank Public Company Limited	12,115,088	3.79
10. Taniya Real Estate Co., Ltd.	7,500,000	2.35
Sub-total	200,203,730	62.66
Other	119,313,093	37.34
Grand Total	319,516,823	100.00

Remark (1) Source: Thailand Securities Depository Co.,Ltd. (TSD)

(2) Group "Mrs. Siriphorn Mangkornkarn" including : Mr. Kong Mangkornkarn, Mr. Kritasorn Mangkornkan and Miss Piyatida Mangkornkan

Other Securities Issuance -None-

Dividend Payment Policy

According to the dividend pay-out policy of the Company, the annual dividend pay-out shall not exceed 50 percent of the net profit after corporate income tax. This policy may be revised depended on company operation, financial situation and future investment projects. When the Board of Directors has its resolution to pay the dividend, the resolution shall be put as an agenda and shall be approved by the shareholder's meeting.

The subsidiary company does not fix dividend payment policy to shareholders. It will consider year by year according to its yearly net profit after corporate income tax.

The Company's dividend payment ratio for the past 5 year are as follows:

<u>Year</u>	<u>Dividend per share (Baht)</u>	<u>Total Amount (Baht Million)</u>
2020	-	-
2019	0.04	12.78
2018	0.03	9.57
2017	0.03	9.57
2016	0.03	9.57

Corporate Governance

The Board of Directors realises the importance of corporate governance in order to ensure that the Company has good and sound management which consists of efficiency, transparency and traceability. This is also to ensure that the shareholders, investors and stakeholders are treated fairly and equally according to the guidelines for corporate governance (CG) of Stock Exchange of Thailand. The Company has followed this guideline strictly and continuously.

From this commitment in applying guidelines for corporate governance continuously in the business management and operation of the Company, in the year 2020 the Company was assessed on the quality of organizing the general shareholder meeting according to the AGM checklist. The Company was rated Very Good by Securities and Exchange Commission together with the Thai Investors Association and Listed Companies Association.

Rights of Shareholders and Treatment of Shareholders

The Company realises the importance of the right of shareholders as the owner of the Company. It follows all the regulations and basic rights of the shareholder strictly as prescribed. The Company follows strictly the AGM checklist which stipulate how the general shareholder meeting should be organized e.g. right of the shareholders, right to give opinion and make important decisions together with the Company and easy access to the location of the meeting for instance. The AGM checklist guidelines is prepared by Securities and Exchange Commission (SEC) together with Thai Investor Association and Thai Listed Companies Association.

Additionally, the Company also disclosure important information important on the Company website at www.thainam.com in Thai and in English in order that the shareholders all have access to the Company information and in the year 2020, the Board of Directors has set out the guidelines to promote the right of shareholders as follows:

- The Company has assigned Thailand Securities Depository Co., Ltd. Which is the registrar of the Company to circulate appointment for shareholder meeting with all the agenda, information and attachments 14 days prior the meeting day. The same information is also available both in Thai and in English on the Company website 30 days prior the meeting days in order to facilitate the shareholders for accessing the information.
- The Company will give chances for the minority shareholders to propose new agenda in the general shareholder meetings in advance and to nominate a suitable person to become director of the Company. The activities can be done through Stock Exchange of Thailand and through the Company website.
- In the announcement or invitation for the shareholder meeting, it must contain the following information e.g. agenda of the meeting, nomination of company directors, directors' compensation, appointment of the accounting auditor and remuneration and dividend payment where the Company shall give the appropriate reasons and facts to facilitate decision making of the shareholders.
- The Company shall follow the AGM checklist when organizing the general shareholder meeting. The Company shall announce the regulations and procedure for meeting including how to vote and procedure for proxy. The relevant documents and required form for proxy must be sent to shareholders along with the appointment for meeting prior the meeting

- The Company shall nominate at least one independent director to be a choice for shareholders for proxy.
- The Board of Directors shall allow any shareholder to exercise his right to nominate each company director individually as appeared in the proxy form sent to the shareholders.
- During the shareholder meeting, the Chairman of the Board shall introduce independent director(s) and directors including audit committee and accounting auditors. The Company executives shall be invited to join the meeting in case there is questions arised from the shareholders. The Chairman of the Board shall give shareholders chance to ask their question equally. All the questions and comments shall be recorded in the meeting report.
- The Company shall not have any policy to deprive the right of shareholders in accessing the Company information and participation in the shareholder meeting. These activities are for instance such as -not distributing additional important documents in the shareholder meeting abruptly, -not adding agenda of meeting, -not informing shareholders in advance when there is any change of information, –not depriving right of shareholders when he attends the meeting late.
- Board of Directors has set out preventive measures to prevent directors, executives and employees to use inside information of the Company for their own advantages or relevant persons.
- The Company secretary and his/her team is responsible to prepare shareholder meeting report which is complete both content and format. The report has to be sent to the Stock Exchange of Thailand and to be published in the Company website within 14 days from the date of shareholder meeting.
- The Board of Directors has set out the guidelines for disclosure of information for internal stakeholders e.g. directors, managing director etc. and set out the regulation to prevent these stakeholders to join the decision making process on the relevant agenda.
- In the shareholder meeting, the Company has to distribute the document for voting for the shareholder prior meeting session for voting in important agenda. These agenda are relevant transactions, any transaction related to acquiring or disposing of assets for instance. This is to give transparency and traceability in the meeting in case there is any dispute afterwards.

Roles of Stakeholders

The Company gives importance and fully preserves stakeholders' rights. Because of different expectations by each group of stakeholders e.g. internal which are employees both in the Company and its subsidiary companies and external which are customers, competitors, creditors, governmental bodies and other institutions. The Company has focused on their rights and benefits fairly and paid prudent attention to the satisfaction of stakeholders and ensured that its treatment do not cause others trouble or unfair actions. This will increase stability and for the Company in long run.

- **Shareholders**

The Company is committed to serving as a good representative of the shareholders by conducting transparent business, taking into account long-term growth in its value, providing good returns, and treating all shareholders fairly; The Company listens to shareholders' views and recommendations.

- **Employees**

The Company realises the importance of human resources as invaluable resources to drive the Company to the bright future, therefore the Company supports competency development for professional job performance, treats them fairly, provides welfare together with safe and sound workplaces, and compensation compatible with similar businesses. The Company makes sure that all the basic benefits are available for all levels of employees e.g. buses, canteen, uniforms, annual physical check-up etc.

Additionally, the employees may participate in setting the Company objectives together with management so that they realise their own importance and know which direction the Company is aiming to.

- **Customers**

The Company satisfies its customers by keeping its promises and delivering quality and punctual services under fair pricing; The Company shares views with their customers to foster maximum mutual interests and does not collude with competitors on prices.

- **Competitors**

The Company observes free-market business competition, promotes free trade, observe rules in line with its code of conduct, and observes the law; The Company refrains from inappropriate behavior that could lead to the detriment of competitors.

- **Communities and Environment**

The Company takes prudent business conduct most seriously while avoiding causing impacts on communities, society, and the environment through taking efficient measures - apart from strict observance of laws and regulations e.g. Department of Industrial Works, Ministry of Industry, pollution Control Department, Ministry of Natural Resources and Environment.

The Company also supports surrounding communities' activities e.g. giving scholarship for good students but financially handicapped, joining children day activities at the school within the community.

The Company has never been involved in such disputes in the year 2020.

Disclosure on Information and Transparency

The Company give importance to the disclosure of information and company information including financial information and news on the basis of correctness, completeness, consistency, and transparency of information. This is according to regulations set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Anybody can access to the information easily and equally. Details are as follows:

- The Company information is disclosed in (56-1 form) and annual report (56-2 form) according to the regulation from by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

- The Board of Directors is responsible for the validity and correctness of the financial statement and financial reports of the Company which is prepared according to the generally accepted accounting standard. The accounting policy is selected suitably to the business of the Company with consistency and due diligence. The financial statements must disclose sufficient important information in the annexes to the financial statements. The financial statements have to be certified by accounting auditor where the audit committee is responsible for the quality of the financial statements.
- The Company has to disclose any important information both in Thai and in English on the Company web site. The information has to be updated periodically.
- The Company has assigned the following persons to be responsible for communication with shareholders, investors including analysts and other concerning government institutions:

Miss Somsuan Khondon

Secretary Company

Tel : (66 2) 119 3235, 119 3200 #185

Fax : (66 2) 119 3233, 420 1827

E-mail : somsuank@thainam.com

Responsibilities of the Board of Directors

□ Structure of the Board of Director

- The Board of Directors consists of 9 persons. There are 4 directors who are executives and there are 2 directors who are not executives. Additionally, there are 3 independent directors and 3 appointed independent directors to be audit committee. The names are listed on page 6-9 of this annual report.
- The selection process for the directors of the Company does not go through the selection committee because the selection committee has not been set up. However, the Board of Directors gives opportunity for any minority shareholder to nominate any suitable person according to become director as prescribed by regulations and guidelines from the Stock Exchange of Thailand. This information shall be informed to the shareholders through the information channel of the Stock Exchange of Thailand and on the Company web site.
- Each member of the Board of Directors is qualified and eligible to become the Company director as required by the Company, the Stock Exchange of Thailand and the law. The Board of Directors consists of group of people who have good education background, experience and abilities where they come from different backgrounds and occupations. This multi-disciplinary team of director is beneficial to the business of the Company.
- There are 3 independent directors in the Company or one-third of the total number of directors in the board as the set out by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- The definition of independent director(s) as defined by the Company has met the minimum requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in term of the number of shares hold by the independent director within the company. An Independent director shall not have more than 5 per cent of the number of shares that can be voted.

- Any high-ranking executive who is going to be elected to be a director in the subsidiary company has to be approved from the Board of Director.
- This position provides advice on laws and regulations that the Board needs to be aware of, supervises Board activities, coordinates compliance with Board resolutions, and performs other responsibilities under the principles defined by securities and exchange laws. Additionally, the company secretary is a full-time employee.

❑ **The Sub-Committee**

- The Company Board of Directors has appointed a sub-committee to work on examination and scrutiny in some assignments as necessary in certain situation. Currently, there is only Audit Committee who is all independent directors.

❑ **Roles of the Board of Directors**

- The Board endorses and approves significant matters dealing with Company business, including vision, missions, strategy, financial goals and budget as well as the corporate governance apart from efficiently and effectively supervising the management's operation against plans.
- The Board also ensures sound internal control system, internal audit system including efficient risk management and always follows up in the Board's meeting.

❑ **Corporate Governance Policy and Business Ethics**

- The Company performs its duty following the defined business ethics in order to communicate every employee to understand its standard performance of the Company as expected by its shareholders. The Board declares the business ethics among the shareholders, clients, employees, suppliers, competitors, society and the environment including the declaration of ethics to its employees so that the employees should follow and practice among themselves, the related persons, the organization and its society.

❑ **Items that may have conflict of interest**

- The Board, the management and its shareholders have considered and thoroughly organized system to get rid of the conflict of interest with trust and independency in the frame of good ethics as well as to completely disclose the information.

❑ **Internal Control and Risk Management**

- The Company has established, revise and develop the internal control system continuously. This includes financial control and monitoring process including the assessment of internal control system.
- The board gives the importance on risk management. Each executive from each departmental function has to assess risk of each function and scope of work in order to make sure that all the risk assessments are all well covered. The organization has preventive measures and mechanism to handle risks.

❑ Board Meeting

- Each director may express their view and opinion independently. When the number of votes are equal, chairman of the board may exercise his right to vote arbitrarily.
- Chairman of the board will consider the agenda for the board meeting and each board member may add new agenda to the board meeting.
- The Company secretary will make an appointment for the board meeting where the agenda and meeting paper is enclosed 7 days prior the meeting date so that the directors have enough time to study.
- The board meeting reports which are approved by the board meeting are kept by the Company secretary and are readily investigated by any board member. The reports cannot be modified without the approval from the board meeting.
- In the year 2020, the Company scheduled the board meeting of 10 times. The number of meetings held in advance of the date time and place each year to each director can arrange their schedules to attend simultaneously.

❑ Directors' Remuneration

- Directors' remuneration is defined clear and transparent at the suitable rate with the resolution of the Annual Ordinary Shareholders' Meeting. Directors who are assigned as audit committee members also has additional remuneration at proportional rate.
- In the year 2020, the Company paid director's remuneration as declared in the 56-1 form and the Company annual report (56-2 form).
- The Company has no remuneration committee. So, the performance assessment of Chief Executive Officer (CEO) or Managing Director each year is depended on the Board of Directors' duty to make the decision under the condition that CEO or Managing Director is not present in the meeting.

❑ Training and Development for Directors and Executives

- The Company has policy to promote and support the Directors to develop knowledge by attending the Directors training course at the Thailand Institute of Directors (IOD) and other training courses to increase awareness of their roles and to give knowledge about the business of the Company.
- Additionally, the Company also promote its executives and related person to develop their knowledge such as the Company secretary, the internal audit officer etc by always supporting them to attain the related courses in order to increase their knowledge and other new technology.

❑ Succession Plan

- The company has planned for the succession of work by appointing the personnel who have knowledge, competency and experience to take a position of the top executive that can succeed to the company's management appropriately in the future.

Corporate Governance in Subsidiaries Company

The Company has the same management policy as the company and the same management team.

Supervision of Usage of the Internal Information

The company had the policy not to let committees and executives to use the internal information that had the important content that hadn't reveal for the public for own benefit or other persons including trading of securities of the company by having the supervision by committees and executives in using the internal information of the company to use for own benefit or other persons as follows:

1. The Company had notified to executives to understand roles in reporting of holding of securities in the own company, the spouse and child that hadn't still reach to legal ages including reporting of changing of holding of securities according to Article 59 and the penal code according to Article 275 of The Securities and Exchange Act B.E. 2535.
2. The Company had regulations to prohibit to bring the financial information or other informations that would give effects on security prices of the company to reveal for external persons that hadn't participate if this hadn't practice according to mentioned regulations, This would be held as the breaking of disciplines.

Auditors and Remuneration of Auditors

In the year 2020, auditing fee provided by the Company and its subsidiary companies was as follows:

Companies	Auditors	Fee (Baht)
<input type="checkbox"/> Thai Nam Plastic Public Company Limited	Miss Techinee Pornpenpob Dharmniti Auditing Co.,Ltd.	965,000
<input type="checkbox"/> Subsidiary Companies:		
- Taweewattana Logistics Company Limited	Miss Techinee Pornpenpob Dharmniti Auditing Co.,Ltd.	85,000
- Thai Nam Automotive Performance Company Limited	Miss Techinee Pornpenpob Dharmniti Auditing Co.,Ltd.	255,000
- TNV Plastics Proprietary Company Limited	Miss Techinee Pornpenpob Dharmniti Auditing Co.,Ltd.	143,000
- T.N.P. Industry Company Limited	Miss Techinee Pornpenpob Dharmniti Auditing Co.,Ltd.	310,000
Total		1,758,000

The Auditor had no relationship or conflict of interest with the company/affiliated companies/executives/major shareholders or any persons related to such persons. Thus, they were independent in auditing and commenting on the company's financial statements.

Other Fee - None -

Corporate Social Responsibilities

The Company will give the importance for the operation of the business with the responsibility for the society and the environment (Corporate Social Responsibility) that will focus on the operation of the activity within the organization and the activity for the society continuously and the Company has realized about the responsibility for the society for all the time that the company has operated. By the Company has brought the good governance to determine the policy of the management of the Company efficiently, transparently and can be investigated. The Company will support the activity that will be the benefit for the society for all the time including supporting to let stakeholders such as, the shareholder, the employee, the customer, the community, the society and the environment to create the development and the growth sustainably as follows:

The Shareholder

The Company has made the corporate governance policy as the written document including the manual of the business ethics and the code of conduct in order to let committees, executives and staffs to join to drive the business to operate according to the fair frame and this will protect the right according to the law of the stakeholder in every group.

The Employee

The Company has the policy to take care of and has performed with employees liked the people in the same family with the practice for the employee in every level equally and fairly including determining the compensation and other welfares suitably in order to develop the life quality of the employee to be better.

The Customer

The Company has aimed to create the highest satisfactory for customers with the manufacturing of products that have the quality and the international standard to match with the requirement of customers and deliver products as scheduled by this will consider about the privilege of consumers as the important issue. The Company will hold in the honest and the fairness both in the quality and the product price.

This has to join to develop the community, the society and the environment

The Company has given the importance with the life quality and the environment of the community with the creation of the good relationship together with the development of the community and the society. This has the activity for the society in the nearby community continuously. In the year of 2020, the Company had supported in the education in order to contribute the life quality for the youth by the company had given the scholarship and there was the setting of Children's Day for students in other schools in Omnoi Sub-District, Kratumbaen District, Samutsakorn and Bankor Sub-District, Meuang District, Samutsakorn. Besides, the company had set the religious activity in order to maintain the religion. The company and staffs had participated to the Kathin ceremony including the religious activity with the temple in the community area regularly and annually.

The Company has realized about the importance for the conservation and keeping the environment continuously. By the Company will consider about the responsibility for the society and the environment as the important thing along with the business operation. The Company has adjusted the production process and has used materials that has no components of toxic substances for the environment in order to get the product that is friendly to the environment that will match with the requirement of customers. Besides, the Company has cultivated staffs to have the participation in taking care of the environment and there is the use of the energy worthwhile until this has created the practical guideline to keep the environment with the project to conserve the energy in order to support and cultivate staffs in using the energy and the resource in the organization economically. This has the efficiency and this will know the value.

Anti-Corruption

The Board of Directors have realized and given the importance for the good governance, the operation of the business with the responsibility. This will have the transparency. This will have the equality and this will have the fairness for the stakeholder. By this has determined to be the important topic in the manual of the business ethics and the practical guideline in working for being the guideline for executives and employees of the Company to hold for practicing. Besides, the Company will have studied and have entered to receive the training for preparing the operation for considering of the showing of the intention to enter to join in the project of the alliance for the practice of the Thai private sector in the resistance for the corruption (Private sector collective action coalition against corruption) further.

Internal Control and the Internal Audit

The Board of Directors have given the importance for the internal control continuously by this has made to review and develop the internal control system for both the financial controlling system, the operation and the supervision of working including the evaluation of the efficiency of the internal controlling system of the company and subsidiary companies in order to have the confidence that the internal controlling system that has determined to have the evaluation of the sufficiency and the suitability of the internal controlling system by this will hold the principle of the good internal controlling of the Company with 5 main components as follows:

1. The control environment

The Company will contribute and support to create the environment to facilitate for the internal controlling system to operate according to the intention for both the setting of the organizational structure, the determination of the duty and the responsibility, the determination of the policy and the regulation as the written document.

2. The risk assessment

The Company has set to have the risk management system, the evaluation of the risk from external factors and the risk from internal factors that is the period for reviewing and adjusting the strategy in the business operation.

3. Control activities

The Company has set to have the activity for the internal control that has the clearness and the suitability for having the confidence of the accounting information, the information technology and the report of the company correctly and completely. This has the determination of the authority for the approval and this has the level of the approval for the suitable transaction by this has the determination of the method to protect and search for the lost of the property. And this has the practice according to the law and related regulations correctly and completely.

4. The information technology system and the communication

The company has given the importance for the information technology system and the communication of the information by this has set to have the information technology system and the system of the communication of the information that has developed the information technology system and has adjusted to keep pace with the situation all the time.

5. The monitoring system of following up an evaluating (Monitoring)

The Company has the following up of the operating result continuously. By this has set to have the process of following up and evaluating the target according to the company has placed in order to have the confidence that the system of the internal controlling has operated continuously and this has adjusted to solve to conform with the changing situation including this has reviewed the report related to the system of the internal controlling from the auditor and the internal auditor periodically.

In the year 2020, the Company had the system of the internal controlling that was enough and suitable for the business operation. This had the practice according to the procedure and the placing regulation. This hadn't found the mistake related to the system of the internal controlling that was the important content.

Head of Internal Audit

The Audit Committee had appointed Mr. Chairaj Kongsiripanich to take the position of the Office of Internal Audit Manager of the Company due to he had the degree in accounting and he was the auditor who had been permitted to have experiences in auditing of accounting for a long time and he had understood the business operation of the Company well. This should be agreed that he had the capacity to operate this mentioned role suitably. He had the efficiency suitably and completely. In order that, The consideration to approve to appoint, demote and remove of the person who was in the position of the Office of Internal Audit Manager of the company. This might have received the resolution from the audit committee.

Head of Internal Audit Biography

Name	:	Mr. Chairoj Kongsiripanich
Position	:	Office of Internal Audit Manager
Age	:	57 Years old
Education	:	<input type="checkbox"/> Bachelor Degree in Accounting, Thammasat University <input type="checkbox"/> Diploma in Auditing, Thammasat University <input type="checkbox"/> MBA, Thammasat University
Percent of Shares hold	:	0.02 percent
Family Relationship among Directors and Executive	:	- None -
5 Year Past Working Experiences	:	<input type="checkbox"/> Year 2000 - Present, Secretary to the Audit Committee Thai Nam Plastic Public Company Limited <input type="checkbox"/> Year 1996 - Present, Office of Internal Audit Manager Thai Nam Plastic Public Company Limited
Address	:	40 Moo 7, Petchakasem Road, Omnoi, Kratumban, Samutsakorn 74130 Tel : (66 2) 119 3200 # 142 Fax : (66 2) 119 3228

Related Parties Transactions

Details of transactions between the Company and subsidiary companies would be appeared in notes of financial statements, No. 6, The subject of business transactions with persons or related businesses. And the Company had transactions with related companies by mentioned transactions would be normal business operations of the Company by holding of market prices or according to the agreeable contract.

The Audit Committee's Report

The Audit Committee consisted of independent non-executive personnel. They are completely qualified in accordance with the Audit Committee's Charter and also meet all standards as defined by the office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

During the year of 2020 the committee has carried out their duties strictly responsibly as assigned by the Company's Board of Directors.

1. The Audit Committee attended totally 7 meetings.
2. The Audit Committee's members are as follows:

Name	Attendance of Meeting	Position
1. Mr. Voratthep Vithayaviraj	7/7	Chairman of the Audit Committee
2. Mr. Peesak Prapaiporn	5/7	Member of the Audit Committee
3. Mr. Wutipong Vechayanon	6/7	Member of the Audit Committee

3. Operations

The Audit Committee has submitted brief mission report to The Company's Board of Directors quarterly and the main contents are described accordingly:

Review of the Company's Financial Statements

The Audit Committee reviewed the quarterly and the annually financial statements of the Company and its consolidated financial statements of the company as well as its subsidiaries with the Auditor and the Management. This included the inquiries and provision of suggestions and comments which were useful for ensuring the process of preparing the Company's and its subsidiaries' financial statements accurately and complete according to the Generally Accepted Accounting Standards with sufficient and timely disclosure of information. As a result the financial reports were accurate and reliable.

Review of the Company's Risk Management

The Company has managed risk systematically which the Audit Committee has verified the risk management plan of the Company in order to ensure that the plan is suitable to the situation and business condition including risk management and control measures in favorable level. The emphasis is focused on financial liquidity of the Company and also increasing stock level including investment in fixed assets. Additionally, the Audit Committee has followed up problem and actions in the business operation of subsidiary company abroad to minimize all the impact to the Company.

Review of the Company's Compliance with Securities and Exchange Commission Act, The Stock Exchange of Thailand's requirements, and Applicable Laws.

The Audit Committee reviewed the compliance of securities and exchanges Act, the relevant regulations and laws including the observations of the working procedures to comply with the good governance principles consisting of overseeing the operations and the employee's ethic and code of conducts. The Company properly and consistently carried out their work.

Review of the Company's Business Relations

The Audit Committee reviewed the business transactions of the company and the related parties including all transactions which might cause conflict of interests during the year. This was to ensure that they were conducted according to their normal business. They were reasonable and without any conflict of interest. The information was sufficiently disclosed. Moreover the operations were monitored to ascertain that it worked in accordance with the laws and the regulations stipulated by the Capital Market Supervisory Board.

Review of the Internal Control System

The Audit Committee reviewed the independency of the Internal Audit department, the scope of works and the internal audit plan and assesses the sufficiency of the internal control system. According to the review of the internal auditing reports and the following up of the results of the suggested improvements of the highlighted issues, the Audit Committee found that the company and its subsidiaries had sufficient and appropriate internal control system. After consideration, the Board of Directors has the same view as the Audit Committee that the internal control system remains satisfactory, adequate and appropriate for the Company's business.

Selection and Appointment of the External Auditor

The Audit Committee reviewed the qualifications of the external auditor, the quality standard of work, the expertise and the independency and the consideration of the comparison between the auditing and reviewing fees of financial statements against the workload, it was proposed to the Company's Board of Directors for further approval at the General Meeting of the shareholders appointment of

1. Mr. Thanawut Piboonsawat CPA No. 6699 and/or
2. Miss Techinee Pornpenpob CPA No. 10769 and/or
3. Miss Potjanarat Siripipat CPA No. 9012 and/or
4. Miss Roongnapha Saengchan CPA No. 10142

All of these auditors come from Dharmniti Auditing Co.,Ltd. and the total auditing and reviewing fee for the year 2021 of 965,000 baht which was deemed reasonable.

The Audit Committee had freedom in carrying out their assigned duties and received good cooperation from the Management. Moreover, there was a non-management meeting with the external auditors to discuss and to learn about their observations of the internal control of accounting to plan by talking into account the transparency, reliability, having appropriate internal control system and carried out their work according to the relevant announcements, regulations and laws.

1st March 2021

On behalf of the Audit Committee



Mr. Vorathep Vithayaviroj

Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities for the Financial Statements

To Shareholders

The Board of Directors has prepared financial statements to show the Company and its subsidiary annual financial position in the year 2020, in accordance with generally accepted accounting in Thailand. It is also done under the requirements of the Securities and Exchange Commission on the preparation and presentation of financial reports under the Securities and Exchange Act B.E. 2535.

The Board of Directors is responsible for the financial statements of the Company and subsidiary companies including financial information which is appeared in an annual report for the year ended 31st December 2020, which is made according to accounting principle certified generally by using appropriate accounting policy as the principle of carefulness and the principle of usually practice by using discretion and estimation according to necessity carefully and reasonably including there is also disclosing of enough data in the notes to financial statements by such financial statements have been audited by independent certified auditors who have given their unqualified opinion.

The Board of Directors supports the practice of good corporate governance in the Company and endeavors to improve the structure of the Board of Directors accordingly so that the Company's operations are efficient, transparent and reliable. An internal control system have been established to reasonable ensure that the financial records are accurate and complete. The Board of Directors has appointed an Audit Committee which consists of 3 persons as independent committee members who are responsible for reviewing the financial report and maintaining the adequacy of the internal control and internal auditing systems. The Audit Committee has presented its opinion about the stated matter in the report of the Audit Committee which is presented in this Annual Report.

The Board of Directors believes that the effectiveness of the Company's internal control system and internal audit is satisfactory and able to create credibility and reliability for the financial statements of the Company and its subsidiaries for the year ended 31st December 2020.

25th February 2021



Mrs. Siriphorn Mangkornkarn
Managing Director

Management Discussion and Analysis

Performance

Overall business operation in the past 2020, the Company was impacted by the economic fluctuation caused by the trade war between the United States and China together with the severe spread of Coronavirus 2019 (COVID-19), leading to a measure to shut down the country (Lockdown) to control the pandemic. The economy that relies on tourism and export sectors has been severely affected causes the confidence and purchasing power of the people in the country to weaken. As a result, the Thai automotive industry has slowed down. In the year 2020, the production of cars was 1.43 million units, a decrease of 29.14 percent from the previous year with 2.01 million units and total sales of 1.53 million units, down 25.89 percent from the previous year with total car sales of 2.06 million units, divided into domestic car sales of 0.79 million units, down 21.38 percent from the previous year with domestic sales of 1.01 million units and export car sales of 0.74 million units, down 30.19 percent from the previous year with 1.05 million cars exported. However, the domestic economy at the end of the year recovered from the economic stimulus package that helps people who were affected by the COVID-19 virus outbreak, including the release of new cars and the promotion of automakers in late 2020. This resulted in more than 30,000 cars reservations, reflecting the confidence and purchasing power of domestic consumers. Therefore, it is expected that the Thai automotive industry will have a good chance to expand again in the year 2021, despite the risk factors from the new wave COVID-19 virus pandemic, but Thailand can be controlled to a good extent. Besides, Thailand has the opportunity to receive a vaccine against the COVID-19 virus, which is considered an important factor in restoring the Thai economy.

Moreover, the Company and its subsidiaries, a manufacturer of synthetic leather and plastic sheets used for car interior decoration and the main income is from sales of products to the automotive manufacturing market, therefore have been directly affected by the aforementioned events. This resulted in a notable decrease in sales quantity. In the year 2020, the Company and its subsidiaries had a total net profit of 2.32 million baht, an increase of 102.71 percent from the previous year with a total loss of 85.47 million baht.

Sales revenue

In the year 2020, the Company and its subsidiaries had the revenue from sales according to the consolidated financial statements of 722.79 million baht, a decrease of 199.77 million baht or 21.65 percent from the previous year of 922.56 million baht, which the main factor was from the spread situation. The COVID-19 epidemic affecting the economy of the country and causes the condition of the Thai auto industry to slow down due to the declining purchasing power. Consequently, it instantly affects the sales of synthetic leather products used in automotive interiors in the domestic automotive manufacturers industry market, which is the main revenue of the company.

Cost of sale

In the year 2020, the Company and its subsidiaries had a cost of sales according to the consolidated financial statements amounting to 559.31 million baht or 77.38 percent of revenue from sales. Which decreased from the previous year, accounting for 83.47 percent of sales revenue. In a conclusion, the gross profit margin increased to 22.62 percent compared to the previous year which was 16.53 percent due to machinery improvements to increase production efficiency including measures to reduce production costs in terms of raw materials, direct labor, and various energy fields.

Operating expenses

In the year 2020, the Company and its subsidiaries had the cost of distribution according to the consolidated financial statements of 27.59 million baht, a decrease of 11.22 million baht or 28.91 percent from the previous year of 38.81 million baht, which was a proportionate decrease in sales and sales expense limitation measures. While there were administrative expenses according to the consolidated financial statements of 135.43 million baht, a decrease of 27.08 million baht or 16.66 percent from the previous year of 162.514 million baht, mainly due to measures to decrease salary expenses as well as employee benefits.

Expected credit losses

In the year 2020, the Company and its subsidiaries have reversed the expected credit losses in the consolidated financial statements amounting to 2.68 million baht.

Comprehensive income

In the year 2020, the Company's performance and its subsidiaries according to the consolidated financial statements had a gross profit of 163.48 million baht or 22.62 percent of revenue from sales. The aforementioned increased from the previous year which was 16.53 percent, resulting in profit before income tax of 5.68 million baht, compared to the previous year by loss before income tax of 63.17 million baht and income tax of 3.36 million baht, resulting in a net profit of 2.32 million baht. There are components of other comprehensive income that will not be reclassified to profit or loss of 1.24 million baht and the currency translation difference of the financial statements of foreign subsidiary of 22.94 million baht, resulting in a total comprehensive loss for the year of 19.38 million baht.

The Financial Position**Asset**

In the year 2020, the Company and its subsidiaries had assets according to the consolidated financial statements amounting to 929.76 million baht, an increase of 34.35 million baht or 3.84 percent from the previous year of 895.41 million baht, which is meaningful from net right-of-use assets an increase of 75.07 million baht is due to the compliance with the Thai Financial Reporting Standard No. 16 regarding lease agreements in the year 2020 and the inventories decreased by 41.01 million baht, due to the policy to accelerate the drainage of long-lived inventories.

Liabilities

In the year 2020, the Company and its subsidiaries had liabilities according to the consolidated financial statements of 487.00 million baht, an increase of 54.20 million baht or 12.52 percent compared to the previous year of 432.80 million baht, which was significantly due to an increase in lease liabilities amount of 81.42 million baht is due to the compliance with the Thai Financial Reporting Standard No. 16 regarding lease agreements in the year 2020 and long-term loans from financial institutions increased by 10 million baht from the company draw down the long-term loans for upgrading machinery and equipment following the investment project to increase production efficiency. Furthermore, bank overdrafts and short-term loans from financial institutions decreased by 42.10 million baht, which was due to the repayment of outstanding promissory notes.

Equity of shareholders

In the year 2020, the Company and its subsidiaries had shareholders' equity in the consolidated financial statements totaling 442.76 million baht, representing the issued and paid-up share capital of 319.52 million baht, surplus from change in the ownership interest in subsidiary amount of 0.93 million baht, retained earnings in the legal reserve of 29.35 million baht, and unallocated retained earnings of 94.21 million baht, with other components of shareholders' equity of (1.25) million baht.

Cash flow

In the year 2020, due to the continuing economic slowdown. As a result, the purchasing power of consumers to shrink, making the slowdown in the automotive industry in Thailand and affect the business operation of the company as well as subsidiaries. In conclusion, the total sales revenue decreased to 722.79 million baht from the previous year of 922.56 million baht. Also, there are still necessary expenses such as investment in fixed assets to improve production machinery and equipment. According to the project to increase production efficiency and support the production of new products to meet the needs of the automotive industry, which the company has received credit for financial support from financial institutions as a long-term loan. It also must repay short-term loans and pay interest to financial institutions. As a result, financial liquidity in the past year was quite tight from the cash flow statement, net cash received from operating activities of 82.75 million baht, paid for investment in fixed assets of 17.53 million baht, short-term loan repayment of 42.03 million baht, interest payment of 15.86 million baht. Additionally, the Company has drawn down a long-term loan of 10 million baht, resulting in a net cash flow at the end of the year that amounted to 17.18 million baht when including cash and cash equivalents at the beginning of the year amounted to 23.47 million baht. Therefore, the end of the year 2020 is 41.80 million baht at total.

For the significant financial ratios in the year 2020, the Company and its subsidiaries had a quick ratio of 0.79, an increase from the previous year which was 0.62 and the current ratio was at 1.69, indicating a slight increase from the previous year at level 1.64, thus reflecting the financial liquidity that still tight. While the ability to collect trade receivables and pay trade debt considering the trade receivable turnover rate was 4.71 cycle, an increase from the previous year which was 4.45 cycle, representing an average trade receivable collection period of 77.46 days, decreased from the previous year which was 81.95 days. The Company has a policy to give credit term to trade accounts receivable at 60 days, which is still not compliant with the policy, as a result of the COVID-19 control measures, causing a delay in trade transactions. Moreover, the average inventories turnover had a turnover rate of 2.07 times, decreased from the previous year which was 2.45 times, representing the average inventory period of 176.75 days, increasing from the previous year which was 149.16 days. For payment of trade debt, the Company has an average trade debt payment period was 5.35 times, a drop from 5.64 times in the previous year, describing an average of 68.28 days from the previous year with a payment term of 64.77 days and the Company has received a payment period for the trade debt of 90 days. Its significant financial ratios reflecting the tight financial liquidity for the year 2020.

Source of funds

The source of funds used in the normal activities of the Company's business and its subsidiaries mainly comes from operating cash flow. Most of the cash flow varied according to the revenue from sales. In the year 2020, the Company's sales revenue decreased induced by the economic fluctuation which was affected by the measures to control the spread of the COVID-19 virus. However, the Company also has an additional investment in fixed assets for machinery and equipment improvements to increase production efficiency to get product quality according to customer needs and to reduce production costs to be able to compete in the automotive industry business potential. Besides, the Company still must repay short-term debt financial institutions resulted in the flow of the financial is quite tight. In the year 2020, the Company has obtained a low-interest credit from financial institutions to reserve if it is necessary. Also, adjust terms of long-term loans for investment in machinery and equipment through extending the loan withdrawal period interest rate reduction and extend the time to repay the principal to manage flow in business operations for continuous growth.

Factors that may affect the operations or financial status in the future

Factors that will have a tangible impact on the Company's operations and the subsidiary are to stop production without planning. Such may be caused by internal and external factors because of the in-house factors, it is still able to manage the aforementioned risk factor by maintaining the machine effectively (Preventive maintenance), training of knowledge and skills in production, and machine maintenance preventing accidents and accidents through work e.g. the preparation of insurance to limit risks in life and the company's assets. While external factors that may affect the company include the spread of the COVID-19 virus or natural disaster, which is a factor beyond the control of the company and may not be able to anticipate promptly. Therefore, to reduce the impact of such incidents, the Company outlines to prepare to be careful at any incidents that may occur through following closely-monitoring news and related information.

Besides, there may be factors from the operating results of 2 subsidiaries that have continued operating losses. This describes a significant uncertainty that may cast doubt on the ongoing operability in which the subsidiary company is in the process of resolving operational problems by modifying the production process to control costs and increasing marketing channels that led to expand a profit in the future.

Effects of the COVID-19 incident

In the year 2020, the Thai economy experienced a negative growth rate of 6.1 percent as a result of the global COVID-19 situation. This led to a measure to shut down the city and lockdown the country to control the spread of the COVID-19 virus, a crisis that has never happened before. Therefor having a severe impact on the economy both in the country and abroad from such events, the Company, thus, assessed the risks as well as find ways to mitigate the impact on the business during that time. Fortunately, with a policy to reduce production costs in terms of raw materials, manpower, limited salary, and various energy costs, enabling the company to have sufficient flow for business operations. At the same time, the Company emphasizes the risks and impacts of COVID-19 on the lives and safety of employees including business continuity Has contacted and coordinated with customers, business partners, and relevant stakeholders to plan the production and logistics as well as careful transactions. In conclusion, during the preceding year, the Company has not had a tangible impact on business operations and the healthcare of employees.

Report of the Auditor and Consolidated Financial Statements

To The Shareholders and Board of Directors of
Thai Nam Plastic Public Company Limited

Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Thai Nam Plastic Public Company Limited and its subsidiaries as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Thai Nam Plastic Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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.

Material Uncertainty Related to Going Concern

I draw attention to Note 1.3 to the financial statements. Two subsidiary companies had incurred continuous operation losses. As at December 31, 2020, current liabilities were higher than current assets and deficits were significant amounts. These factors indicate the existence of material uncertainties which cast significant doubt on these subsidiaries' ability to continue as a going concern.

My opinion to the financial statements is not qualify in respect of these matters.

Emphasis of Matter

I draw attention to Note 2.3 to the financial statements. Due to the impact of COVID-19 pandemic, in preparing the financial information for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation" announced by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

My opinion to the financial statements is not qualify in respect of these matters.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

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Key Audit Matters

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

- Allowance for the decline in value of inventory

As at December 31, 2020, the Group and Company had inventories in the statement of financial position of 250.34 Baht million and 218.34 Baht million, respectively, or 26.92% of the total assets of the Group and 23.40% of the total assets of the Company. Such inventory includes the obsolete stock which was produced as excess and old raw material, packaging and factory supplies may no longer be used in the production and may have declining value in the present. The accounting policy for inventory and detail of inventory were disclosed in Note 3.4 and 10, respectively. Inventory is stated at cost or net realizable value, whichever is lower. The management has to apply considerable judgment in considering the allowance for the decline in value of obsolete inventory by determining the allowance from the percentage of the carrying value of slow-moving or obsolete inventory. The management will set higher percentage according to the aging of inventory and analyze the individual obsolete stock. Therefore, I have identified that the measurement of inventory is a significant risk which requires special attention in the audit.

According to my audit approach on such matter, I have tested the internal control with respect to the calculation of inventory cost, observed the inventory physical count and verified the inventory aging report, inquired the management and considered the reasonableness of the assumption and approach used by the management to determine the net realizable value. This is by verifying the supporting evidence that represents the management's best estimate, especially determining the percentage used in calculating the allowance for the decline in value of inventory at different ages and testing the calculation of the allowance for the decline in value of inventory. Additionally, I have paid attention to the adequacy of the information disclosure on the accounting policy and amount with respect to the recognition of the allowance for the decline in value of inventory.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 in order for those charged with governance to correct the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company 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 Financial Statements

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

As part of an audit in accordance with 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 financial statements 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 and the Company'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 and the Company'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 financial statements 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Techinee Pornpenpob.



(Miss Techinee Pornpenpob)

Certified Public Accountant

Registration No. 10769

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 25, 2021

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

ASSETS

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			(Reclassified)		(Reclassified)
Note			(Note 33)		(Note 33)
Current assets					
Cash and cash equivalents	7	41,795,344.99	23,469,750.85	2,678,514.95	2,502,179.44
Trade and other current receivables	5				
Related parties	6, 8	-	-	16,956,288.56	89,545,091.20
Other companies	9	176,917,239.21	154,597,410.83	161,508,276.69	139,370,015.77
		176,917,239.21	154,597,410.83	178,464,565.25	228,915,106.97
Short-term loans	5, 6	-	-	-	6,374,126.94
Inventories	10	250,339,936.54	291,351,321.30	218,340,586.98	251,357,077.82
Total current assets		469,052,520.74	469,418,482.98	399,483,667.18	489,148,491.17
Non-current assets					
Investments in subsidiaries	11	-	-	12,603,800.02	16,884,661.60
Investment property	12	7,763,896.67	7,763,896.67	25,999,612.50	27,156,991.40
Property, plant and equipment	5, 13	299,395,159.54	329,055,968.48	414,025,457.26	441,321,339.67
Right-of-use assets	5, 14	75,700,725.51	-	1,597,186.81	-
Deferred tax assets	15	77,698,333.33	88,984,477.45	79,417,966.14	79,113,914.80
Other non-current assets		144,566.05	190,566.05	74,781.05	108,781.05
Total non-current assets		460,702,681.10	425,994,908.65	533,718,803.78	564,585,688.52
TOTAL ASSETS		929,755,201.84	895,413,391.63	933,202,470.96	1,053,734,179.69

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			(Reclassified)		(Reclassified)
Note		(Note 33)	(Note 33)		(Note 33)
Current liabilities					
Bank overdraft and short-term loans from					
financial institutions	16	111,808,439.82	153,912,086.08	111,808,439.82	153,912,086.08
Trade and other current payables	17				
Related parties	6	-	-	1,883,010.49	9,757,118.18
Other companies		122,818,846.62	110,171,466.40	111,968,771.23	101,316,389.59
		122,818,846.62	110,171,466.40	113,851,781.72	111,073,507.77
Current portion of long-term loans from					
financial institution	18	21,000,000.00	7,200,000.00	21,000,000.00	7,200,000.00
Current portion of lease liabilities	5, 19	8,604,383.76	302,625.00	529,815.65	302,625.00
Current provisions for employee benefit		13,809,153.86	14,693,122.76	13,809,153.86	14,693,122.76
Total current liabilities		278,040,824.06	286,279,300.24	260,999,191.05	287,181,341.61
Non-current liabilities					
Long-term loans from financial institution	18	29,000,000.00	32,800,000.00	29,000,000.00	32,800,000.00
Lease liabilities	5, 19	73,400,519.73	277,406.25	729,406.76	277,406.25
Non-current provisions for employee benefit	20	105,889,716.47	112,774,319.63	102,578,046.05	110,056,148.32
Non-current liabilities		665,045.00	665,045.00	665,045.00	665,045.00
Total non-current liabilities		208,955,281.20	146,516,770.88	132,972,497.81	143,798,599.57
TOTAL LIABILITIES		486,996,105.26	432,796,071.12	393,971,688.86	430,979,941.18

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			(Reclassified)		(Reclassified)
Note			(Note 33)		(Note 33)
Shareholders' equity					
Share capital					
Authorized share capital					
372,768,490 ordinary shares, Baht 1.00 each		372,768,490.00	372,768,490.00	372,768,490.00	372,768,490.00
Issued and paid-up share capital					
319,516,823 ordinary shares, Baht 1.00 each		319,516,823.00	319,516,823.00	319,516,823.00	319,516,823.00
Share premium on ordinary shares	21	454.58	454.58	454.58	454.58
Surplus from change in the ownership interest					
in subsidiary		927,963.25	927,963.25	-	-
Retained earnings					
Appropriated	22				
Legal reserve		29,348,291.08	29,348,291.08	29,348,291.08	29,348,291.08
Unappropriated	5	94,215,147.76	91,134,450.99	190,365,213.44	273,888,669.85
Other components of shareholders' equity		(1,249,583.09)	21,689,337.61	-	-
TOTAL SHAREHOLDERS' EQUITY		442,759,096.58	462,617,320.51	539,230,782.10	622,754,238.51
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		929,755,201.84	895,413,391.63	933,202,470.96	1,053,734,179.69

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Revenue from sales	6	722,787,280.39	922,560,496.39	644,249,597.34	867,242,657.69
Gain from exchange rate		4,957,233.49	-	-	-
Other incomes	6	13,388,413.73	10,106,940.67	12,720,668.45	11,348,167.11
Total revenues		741,132,927.61	932,667,437.06	656,970,265.79	878,590,824.80
Expenses					
Cost of sales	6	559,312,127.16	770,048,086.31	523,832,654.86	712,298,655.09
Distribution costs		27,593,365.16	38,812,928.17	27,470,472.76	37,147,669.17
Administrative expenses	6	135,430,447.94	162,510,030.47	101,092,227.24	135,433,634.70
Loss from exchange rate		-	769,531.04	11,601,444.72	19,281,861.17
Expected credit losses (reversal)		(2,682,766.64)	-	54,270,017.13	-
Bad debt and doubtful debt		-	10,479,574.83	-	48,181,874.35
Total expenses		719,653,173.62	982,620,150.82	718,266,816.71	952,343,694.48
Profit (loss) from operating activities		21,479,753.99	(49,952,713.76)	(61,296,550.92)	(73,752,869.68)
Finance costs		15,803,261.17	13,220,153.23	8,467,317.83	13,139,426.15
Profit (loss) before income tax expense		5,676,492.82	(63,172,866.99)	(69,763,868.75)	(86,892,295.83)
Income tax expense	26	3,357,382.03	22,296,205.49	(680,190.79)	6,301,137.41
Profit (loss) for the year		2,319,110.79	(85,469,072.48)	(69,083,677.96)	(93,193,433.24)
Other comprehensive income (expense)					
Components of other comprehensive income that will not be reclassified to profit or loss :					
Gain (losses) on re-measurements of defined benefit plans	20	1,553,537.33	(5,713,848.48)	1,880,697.27	(5,414,521.09)
Income tax relating to components of other comprehensive income that will not be reclassified	26	(310,707.47)	1,142,769.70	(376,139.45)	1,082,904.22
		1,242,829.86	(4,571,078.78)	1,504,557.82	(4,331,616.87)
Item that may be reclassified subsequently to profit or loss :					
Currency translation differences of the financial statements of foreign subsidiary		(22,938,920.70)	(8,999,661.49)	-	-
		(22,938,920.70)	(8,999,661.49)	-	-
Other comprehensive income (expense) for the year		(21,696,090.84)	(13,570,740.27)	1,504,557.82	(4,331,616.87)
Total comprehensive income (expense) for the year		(19,376,980.05)	(99,039,812.75)	(67,579,120.14)	(97,525,050.11)
Basic earning (loss) per share	28	0.01	(0.27)	(0.22)	(0.29)

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht						
		Consolidated financial statements						
	Note	Ordinary shares, issued and paid-up	Share premium on ordinary shares	Surplus from change in the ownership interest in subsidiary	Retained earnings		Other components of equity	Total
					Appropriated legal reserve	Unappropriated	Currency translation differences of the financial statements of foreign subsidiary	Shareholders' equity
Beginning balance as at January 1, 2019		319,516,441.00	-	927,963.25	29,348,291.08	193,955,251.89	30,688,999.10	574,436,946.32
Increase in share capital	21	382.00	454.58	-	-	-	-	836.58
Dividend paid	22	-	-	-	-	(12,780,649.64)	-	(12,780,649.64)
Total comprehensive income (expense) for the year								
Profit (loss) for the year		-	-	-	-	(85,469,072.48)	-	(85,469,072.48)
Other comprehensive income (expense) for the year								
Gain (losses) on re-measurements of defined benefit plans, net of tax		-	-	-	-	(4,571,078.78)	-	(4,571,078.78)
Exchange difference on translating financial statements		-	-	-	-	-	(8,999,661.49)	(8,999,661.49)
Ending balance as at December 31, 2019		319,516,823.00	454.58	927,963.25	29,348,291.08	91,134,450.99	21,689,337.61	462,617,320.51
Effect from changes in accounting policies	5	-	-	-	-	(481,243.88)	-	(481,243.88)
Beginning balance as at January 1, 2020 - Restated		319,516,823.00	454.58	927,963.25	29,348,291.08	90,653,207.11	21,689,337.61	462,136,076.63
Total comprehensive income (expense) for the year								
Profit (loss) for the year		-	-	-	-	2,319,110.79	-	2,319,110.79
Other comprehensive income (expense) for the year								
Gain (losses) on re-measurements of defined benefit plans, net of ta		-	-	-	-	1,242,829.86	-	1,242,829.86
Exchange difference on translating financial statements		-	-	-	-	-	(22,938,920.70)	(22,938,920.70)
Ending balance as at December 31, 2020		319,516,823.00	454.58	927,963.25	29,348,291.08	94,215,147.76	(1,249,583.09)	442,759,096.58

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht				
		Separate financial statements				
	Note	Ordinary shares, issued and paid-up	Share premium on ordinary shares	Retained earnings		Total Shareholders' equity
				Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2019		319,516,441.00	-	29,348,291.08	384,194,369.60	733,059,101.68
Increase in share capital	21	382.00	454.58	-	-	836.58
Dividend paid	22	-	-	-	(12,780,649.64)	(12,780,649.64)
Total comprehensive income (expense) for the year						
Profit (loss) for the year		-	-	-	(93,193,433.24)	(93,193,433.24)
Other comprehensive income (expense) for the year, net of tax						
Gain (losses) on re-measurements of defined benefit plans		-	-	-	(4,331,616.87)	(4,331,616.87)
Ending balance as at December 31, 2019		319,516,823.00	454.58	29,348,291.08	273,888,669.85	622,754,238.51
Effect from changes in accounting policies	5	-	-	-	(15,944,336.27)	(15,944,336.27)
Beginning balance as at January 1, 2020						
- Restated		319,516,823.00	454.58	29,348,291.08	257,944,333.58	606,809,902.24
Total comprehensive income (expense) for the year						
Profit (loss) for the year		-	-	-	(69,083,677.96)	(69,083,677.96)
Other comprehensive income (expense) for the year, net of tax						
Gain (losses) on re-measurements of defined benefit plans, net of tax		-	-	-	1,504,557.82	1,504,557.82
Ending balance as at December 31, 2020		319,516,823.00	454.58	29,348,291.08	190,365,213.44	539,230,782.10

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified) (Note 33)		(Reclassified) (Note 33)
Cash flows from operating activities				
Profit (loss) for the year	2,319,110.79	(85,469,072.48)	(69,083,677.96)	(93,193,433.24)
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities:				
Allowance for expected credit losses (reversal)	(2,682,766.64)	-	54,270,017.13	-
Allowance for doubtful accounts	-	10,479,574.83	-	48,181,874.35
Allowance for obsolete inventories (reversal)	10,470,063.80	(33,573,803.57)	9,865,364.34	(33,223,364.96)
Allowance impairment of subsidiary investment	-	-	4,280,861.58	-
Allowance for impairment of fixed asset	-	5,552,801.47	-	5,552,801.47
Depreciation and amortization expenses	52,022,986.55	52,083,331.05	41,948,303.49	48,578,701.49
(Gains) loss on disposal of fixed assets	11,781.63	793,086.50	53,549.51	775,669.34
Unrealized (gain) loss on exchange rate	(14,323,158.64)	(4,539,118.44)	11,834,058.96	14,849,424.07
Interest income	(364,139.73)	(637,360.76)	(1.05)	(0.80)
Withholding tax written-off	66,073.83	235,355.23	-	-
Employee benefit expense	8,489,210.13	35,497,065.28	8,211,748.86	38,358,175.42
Interest expenses	15,803,261.17	13,220,153.23	8,467,317.83	13,139,426.15
Income tax expense (tax income)	3,357,382.03	22,296,205.49	(680,190.79)	6,301,137.41
Profit provided by operating activities before changes in operating assets and liabilities	75,169,804.92	15,938,217.83	69,167,351.90	49,320,410.70
(Increase) decrease in operating assets				
Trade and other current receivables	(19,442,007.47)	123,907,548.05	(24,880,693.01)	83,756,672.10
Inventories	29,527,995.77	79,383,985.70	23,151,126.50	76,808,852.53
Other non-current assets	46,000.00	(3,000.00)	34,000.00	(15,000.00)

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified) (Note 33)		(Reclassified) (Note 33)
Increase (decrease) in operating liabilities				
Trade and other current payables	12,496,946.07	(57,719,650.96)	2,789,157.40	(53,621,771.60)
Provision for employee benefit	(14,704,244.86)	(10,261,499.00)	(14,693,122.76)	(8,193,299.00)
Other non-current liabilities	-	31,668.80	-	31,668.80
Cash received from operations	83,094,494.43	151,277,270.42	55,567,820.03	148,087,533.53
Interest income received	364,139.73	637,360.76	1.05	0.80
Income tax expense paid	(709,542.89)	(12,607,399.98)	(360,095.72)	(12,237,610.30)
Net cash provided by operating activities	82,749,091.27	139,307,231.20	55,207,725.36	135,849,924.03
Cash flows from investing activities				
Increase (decrease) in short-term loan to related companies	-	-	-	(4,770,400.00)
Cash payments for purchase of fixed assets	(17,533,221.36)	(54,029,554.68)	(14,984,861.14)	(52,580,510.29)
Cash receipts from disposal of fixed assets	1,015,973.32	84,055.82	974,203.44	69,280.12
Net cash used in investing activities	(16,517,248.04)	(53,945,498.86)	(14,010,657.70)	(57,281,630.17)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loan				
from financial institutions	(42,033,181.04)	(87,104,281.81)	(42,033,181.04)	(87,104,281.81)
Increase (decrease) in short-term loan from related parties	-	-	-	(5,000,000.00)
Cash receipts from long-term loan from financial institutions	10,000,000.00	40,000,000.00	10,000,000.00	40,000,000.00
Cash payments for repayment of lease liabilities	(1,147,291.07)	(485,437.50)	(455,929.64)	(485,437.50)
Cash receipts from increase in share capital	-	836.58	-	836.58
Dividend paid	(5,524.53)	(12,456,746.35)	(5,524.53)	(12,456,746.35)
Interest expense paid	(15,862,040.28)	(13,190,340.94)	(8,526,096.94)	(13,109,613.86)
Net cash used in financing activities	(49,048,036.92)	(73,235,970.02)	(41,020,732.15)	(78,155,242.94)

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Reclassified)		(Reclassified)	
	(Note 33)		(Note 33)	
	2020	2019	2020	2019
Net increase (decrease) in cash and cash equivalents	17,183,806.31	12,125,762.32	176,335.51	413,050.92
Cash and cash equivalents - beginning of year	23,469,750.85	11,461,178.43	2,502,179.44	2,089,128.52
Effect of translation adjustment on foreign currency financial statements	1,141,787.82	(117,189.90)	-	-
Cash and cash equivalents - ending of year	41,795,344.98	23,469,750.85	2,678,514.95	2,502,179.44
Supplement disclosures of cash flows information				
1. During the year the company acquired fixed assets by means of liabilities under lease agreements	1,135,120.80	-	1,135,120.80	-
2. Reconciliation of dividend paid				
Dividend for the year	-	(12,780,649.64)	-	(12,780,649.64)
Increase (decrease) in accrued dividend	(5,524.53)	323,903.29	(5,524.53)	323,903.29
Dividend paid	(5,524.53)	(12,456,746.35)	(5,524.53)	(12,456,746.35)
3. Reconciliation of interest expense paid from financing activities				
Interest expense for the year	15,803,261.17	13,220,153.23	8,467,317.83	13,139,426.15
Increase (decrease) in accrued interest expense	58,779.11	(29,812.29)	58,779.11	(29,812.29)
Interest expense paid	15,862,040.28	13,190,340.94	8,526,096.94	13,109,613.86

Notes to financial statements form an integral part of these statements.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1 Legal status and address of the Company

The Company had registered to be a limited company on May 25, 1970. The Company's status had been changed to be the public company limited and registered with the Ministry of Commerce on February 7, 1992.

The address of its registered office is as follows:

Head office is located at 40 Moo 7, Petchkasem Road, KM.23, Omnoi, Kratumban, Samutsakorn 74130 Thailand.

1.2 Nature of the Company's operations

Its main business operations are the manufacture and distribute the semi-finished plastic products- synthetic leather and film/sheet for the industries of Automotive, sports shoes, furniture and fashionable leather-flexible film/sheet for the application in household, civil engineering and agricultural functions.

1.3 Going concern of two subsidiary companies

Two subsidiary companies had incurred continuous operation losses, as at December 31, 2020 and 2019, current liabilities were higher than current assets in the amount of Baht 662.19 million and Baht 622.05 million, respectively and deficits in the amount of Baht 677.24 million and Baht 575.20 million, respectively were significant amounts. These factors indicate the existence of material uncertainties which cast significant doubt over these subsidiaries' ability to operate and continue as a going concern. However, the management has a plan to solve the problem by adjusting the plan and production process to control product manufacturing costs including finding marketing channels to increase sale. The Company will provide financial support to both subsidiaries. The above event has caused the uncertainty situation of going concern to be relieved. Therefore, these financial statements are prepared on the going concern basis. Accordingly, they do not include any adjustments relating to the recoverability of the carrying value of assets and reclassification of liabilities that might be necessary should the subsidiary companies be unable to continue as a going concern.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries (hereinafter called "the Group") as follows

Company name	Type of business	Percentage of holding % of share capital		Country of Establishment
		2020	2019	
Direct shareholding				
Taweewattana Logistics Co., Ltd.	Distribution of PVC	99.99	99.99	Thailand
Thai Nam Automotive Performance Co., Ltd.	Manufacture and distribute PVC/PP Foam Sheet and TPO and service of cutting sheet and Laminate Foam	99.99	99.99	Thailand
TNV Plastics (Proprietary) Limited	Manufacture and distribute PVC products	100.00	100.00	South Africa
Indirect shareholding				
T.N.P. Industry Co., Ltd.	Manufacture and distribute semi-rigid PVC sheet	99.29	99.29	Thailand

2.2.2 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 affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.5 The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Currency translation changes of the financial statements of foreign entity" in shareholders' equity.

2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 Thai Financial Reporting Standards that become effective in the current year

During the period, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

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

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

TFRS 9	Financial Instruments
Accounting standard:	
TAS 32	Financial Instruments: Presentation
Financial Reporting Standard Interpretations:	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective is cancelled.

The Company has adopted TFRS related to financial instruments the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 5 to the interim financial statements.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

As at January 1, 2020, the Company had adopted TFRS 16, which the Company recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Company had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Company as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 5 to the interim financial statements.

Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 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.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits. Into data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.4 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to "IASB's Framework for the Preparation and Presentation of Financial Statements." The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to "the conceptual framework" of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 "Business Combination" describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as "business combination" or "purchase of assets" or not. Adjustments are as follows:

1. Describe clearly on the consideration of "business", activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.

3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising the accounting standard No.1 "Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 -Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 "Presentation of financial statements" in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

2.5 Thai Financial Reporting Standard No.16 "Leases"

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

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

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses recognition

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Rental income and its related services from an investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

Interest income is recognized on an accrual basis based on the effective interest rate.

Other income and expenses are recognized in profit or loss on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade and others current receivables

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

Applicable prior to January 1, 2020

Trade and other receivables (including balances with related parties) are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the income statement as part of administrative expenses.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

3.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated as follow:

- Raw material has calculated cost by moving average method.
- Finished good, work in process and maintenance and factory supplies have calculated cost by first in - first out method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for obsolete stocks is set up based on the outstanding inventories balance at the end of year which estimated from consideration of states and quality of inventories.

3.5 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investment in subsidiaries in separate financial statement is accounted for under the cost method less allowance for impairment loss on the investment, (if any). The Company recognizes impairment loss (if any) on the investment in the statement of comprehensive income.

3.6 Investment properties

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 property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation of investment property under building for rent category is calculated by the straight-line method over the estimated useful life of 20 years. Depreciation of investment property is included in determining income.

3.7 Property, plant and equipment and depreciation

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Land improvement	10 years
Building and building improvement	10 - 20 years
Machinery and equipment	5 - 12 years
Utility system	10 years
Office equipment and equipment and tools	2-5 years
Vehicles	5 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.8 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.9 Impairment of non-financial assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.10 Trade and other current payables

Applicable prior to January 1, 2020

Trade and other current payables (including balances with related parties) are stated at cost.

3.11 Finance lease

Applicable from January 1, 2020

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Applicable prior to January 1, 2020

Finance lease

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long-term liability. Interest payable will be recorded in the statement of income throughout the leased contract life.

Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.12 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. 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 pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.13 Financial instruments

Applicable from January 1, 2020

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify of financial assets by measured at amortised cost.

Recognition and derecognition

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

Classification and measurement of financial liabilities

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

Impairment of financial assets

The Company and its subsidiaries recognized 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 Company and its subsidiaries applied a simplified approach to determine the lifetime expected credit losses.

3.14 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus, contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries's article and the labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retaining.

Other long-term employee benefits

The Company and its subsidiaries' net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company and its subsidiaries can no longer withdraw the offer of those benefits and when the Company and its subsidiaries recognize costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

3.15 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.16 Foreign currency transactions

3.16.1 Currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.16.2 Foreign operations

The financial statements of oversea subsidiary companies is translated into Thai Baht at the closing exchange rate as at statements of financial position date to assets and liabilities, and market exchange rates in which the transaction took place as to revenues and expenses. The resultant differences are record in statements of comprehensive income and shown as gain (loss) on exchange rate and convert financial statement in equity until investment are sold out.

3.17 Basic earning per share

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

3.18 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

4. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

Applicable from January 1, 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates the expected credit loss based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, the unemployment rate and the consumer price index.

Applicable prior to January 1, 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Impairment of investment in subsidiary

The Company reviews the impairment of investment in the subsidiary, which requires management to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Investment property, property, plant and equipment / Depreciation

In determining depreciation of investment property, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property, property, plant and equipment and to review the useful lives and residual values when there are any changes.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

Impairment of non-financial asset

The Company and its subsidiaries treat assets as impaired when they are determined that the recoverable amount is lower than the carrying amount or in assessing whether there is any indication that assets may be impaired. The determination of whether the recoverable amount lower than the carrying amount requires judgement of the management to use key assumptions underlying recoverable amounts.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Leases

Applicable from January 1, 2020

In determining the lease term of contracts with renewal and termination options the Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Applicable prior to January 1, 2020

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the financial statements, during the current year, the Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 using the modified retrospective method of adoption. The Company and its subsidiaries accumulated changes in accounting policies due to the adoption of above financial reporting standards, are summarized below:

	Baht			
	Consolidated financial statements			
	As at December 31, 2019 (Reclassified) (Note 33) *	The impacts of TFRS related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Trade and other current receivables	154,597,410.83 *	(481,243.88)	-	154,116,166.95
Non-current assets				
Property, plant and equipment	329,055,968.48	-	(1,282,657.05)	327,773,311.43
Right-of-use assets	-	-	83,742,466.90	83,742,466.90
Current liabilities				
Current portion of lease liabilities	302,625.00	-	6,354,373.21	6,656,998.21
Non-current liabilities				
Lease liabilities	277,406.25	-	76,105,436.64	76,382,842.89
Unappropriated retained earnings	91,134,450.99	(481,243.88)	-	90,653,207.11

	Baht			
	Separate financial statements			
	As at December 31, 2019 (Reclassified) (Note 33) *	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Trade and other current receivables				
Related parties	89,545,091.20 *	(9,177,620.51)	-	80,367,470.69
Other companies	139,370,015.77 *	(392,588.82)	-	138,977,426.95
	228,915,106.97 *	(9,570,209.33)	-	219,344,897.64
Short-term loans	6,374,126.94	(6,374,126.94)	-	-
Non-current assets				
Property, plant and equipment	441,321,339.67	-	(1,282,657.05)	440,038,682.62
Right-of-use assets	-	-	1,282,657.05	1,282,657.05
Unappropriated retained earnings	273,888,669.85	(15,944,336.27)	-	257,944,333.58

5.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	91,134,450.99	273,888,669.85
Increase in loss allowance for trade and other receivables	(481,243.88)	(9,570,209.33)
Increase in loss allowance for loans to related parties	-	(6,374,126.94)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	(481,243.88)	(15,944,336.27)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9	90,653,207.11	257,944,333.58

Classification and measurement

On January 1, 2020 (the date of initial application), the Company and its subsidiaries's management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as amortized cost.

Impairment of financial assets

The Company and its subsidiaries have trade receivables that are subject to the expected credit loss model. The Company and its subsidiaries have trade receivables and long-term loans to related parties that are subject to the expected credit loss model.

Trade receivables

The Company and its subsidiaries apply the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates. On that basis, the loss allowance for trade receivables was as follows:

	Baht					
	Consolidated financial statements					
	Not yet due	Not over 2 months	2 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	90,800,647.17	35,880,763.21	12,438,473.78	-	14,339,758.02	153,459,642.18
Loss allowance	98,515.55	139,915.16	242,813.18	-	14,339,758.02	14,821,001.91

	Baht					
	Separate financial statements					
	Not yet due	Not over 2 months	2 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	89,259,770.13	43,955,847.77	27,837,021.59	56,132,241.09	226,013,909.79	443,198,790.37
Loss allowance	149,838.73	427,133.93	699,992.38	1,841,261.90	226,013,909.79	229,132,136.73

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

The reconcile in loss allowance for trade receivables as at December 31, 2019 to January 1, 2020 was as follow:

	Baht	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables</u>		
Loss allowance as at December 31, 2019	14,339,758.03	219,561,927.40
Amounts restated through opening unappropriated retained earnings	481,243.88	9,570,209.33
Loss allowance as at January 1, 2020	14,821,001.91	229,132,136.73

Loans to related parties

The Company have loans to related parties measured at amortized cost. The loss allowance was limited to 12 months expected losses.

The reconcile in loss allowance for short-term loans to related parties as at December 31, 2019 to January 1, 2020 was as follow:

	Baht
	Separate financial statements
<u>Loss allowance for short-term loans to related parties</u>	
Loss allowance as at December 31, 2019	222,865,121.67
Amounts restated through opening unappropriated retained earnings	6,374,126.94
Loss allowance as at January 1, 2020	229,239,248.61

5.2 Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	150,194,016.18	-
<u>Less: Deferred interest expenses</u>	(67,734,206.33)	-
Additional lease liabilities from TFRS 16 adoption	82,459,809.85	-
Finance lease liabilities as at December 31, 2019	580,031.25	580,031.25
Lease liabilities recognised as at January 1, 2020	83,039,841.10	580,031.25
Of which are:		
Current lease liabilities	7,798,971.35	302,625.00
Non-current lease liabilities	75,240,869.75	277,406.25
	83,039,841.10	580,031.25

The recognized right-of-use assets relate to the following types of assets:

	Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Land	82,459,809.85	-
Vehicles	1,282,657.05	1,282,657.05
Total right-of-use assets	83,742,466.90	1,282,657.05

6. RELATED PARTIES TRANSACTION

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

6.1 The nature of relationship with related parties were summarized as follows:

Related parties	Relationship
<u>Subsidiary companies</u>	
Taweewattana Logistics Co., Ltd.	Shareholder and have common shareholder and director
Thai Nam Automotive Performance Co., Ltd.	Shareholder and have common shareholder and director
TNV Plastics (Proprietary) Limited	Shareholder and have common shareholder and director
<u>Indirect subsidiary company</u>	
T.N.P. Industry Co., Ltd.	Indirect shareholding by Taweewattana Logistics Co., Ltd and have common shareholder and director
<u>Related Company</u>	
Citric Acid Industry Co., Ltd.	Shareholder and have common shareholder and director
<u>Related person</u>	
Key management personnel	Persons having authority and responsibility for management

6.2 The Company and its subsidiaries have pricing policy for transaction with related parties as follows:

Transactions	Pricing policies
Revenue from sales	- Thai Nam Automotive Performance Co., Ltd. and Taweewattana Logistics Co.,Ltd. : Market price - TNV Plastics (Proprietary) Limited : Cost plus 5 - 30 % profit - TNP Industry Co.,Ltd. : Cost plus 0 - 5% profit
Rental income and service	- Agreed price according to agreement
Others income	- Agreed price
Purchase products	- Market price
Loan receivable	- TNV Plastics (Proprietary) Limited : Prime rate plus 2% per annum - TNP Industry Co.,Ltd. : MLR per annum
Borrowing payable	- Thai Nam Automotive Performance Co., Ltd. : Without interest
Compensation to management	- According to be approved by director and/or shareholders

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

6.3 Balances as at and December 31, 2020 and 2019 with the related parties consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Assets</u>				
Trade and other account receivable				
Subsidiaries				
Thai Nam Automotive Performance Co., Ltd.	-	-	271,287.34	263,555.50
TNV Plastics (Proprietary) Limited	-	-	182,435,151.06	184,965,226.95
T.N.P. Industry Co., Ltd.	-	-	106,230,101.37	109,538,478.12
Total	-	-	288,936,539.77	294,767,260.57
<u>Less</u> Allowance for expected credit losses				
(2019 : allowance for doubtful debts)	-	-	(271,980,251.21)	(205,222,169.37)
Net	-	-	16,956,288.56	89,545,091.20
Short-term loans				
Subsidiaries				
T.N.P. Industry Co., Ltd.	-	-	99,854,058.58	99,854,058.58
TNV Plastics (Proprietary) Limited	-	-	128,913,430.25	129,385,190.03
Total	-	-	228,767,488.83	229,239,248.61
<u>Less</u> Allowance for doubtful accounts	-	-	(228,767,488.83)	(222,865,121.67)
Net	-	-	-	6,374,126.94

SHORT-TERM LOANS TO RELATED PARTIES

The change in short-term loans to related company for the years ended December 31, 2020 and 2019 are as follows:

	Baht						
	Separate financial statements						
	As at	The impacts of	As at	During the year		As at	
	December	TFRS 9	January	Increase	Decrease	Gain (loss) on	December
	31, 2019		1, 2020			Exchange rate	31, 2020
<u>Subsidiary company</u>							
TNV Plastics (Proprietary) Limited	129,385,190.03	-	129,385,190.03	-	-	(471,759.78)	128,913,430.25
<u>Indirect subsidiary company</u>							
T.N.P. Industry Co., Ltd.	99,854,058.58	-	99,854,058.58	-	-	-	99,854,058.58
Total	229,239,248.61	-	229,239,248.61	-	-	(471,759.78)	228,767,488.83
<u>Less</u> Allowance for expected credit losses							
TNV Plastics (Proprietary) Limited	(123,011,063.09)	(6,374,126.94)	(129,385,190.03)	-	471,759.78	-	(128,913,430.25)
T.N.P. Industry Co., Ltd.	(99,854,058.58)	-	(99,854,058.58)	-	-	-	(99,854,058.58)
Total	(222,865,121.67)	(6,374,126.94)	(229,239,248.61)	-	471,759.78	-	(228,767,488.83)
Net	6,374,126.94		-				-

	Baht			
	Separate financial statements			
	As at December	During the year		
	31, 2018	Increase	Decrease	Gain (loss) on exchange rate
<u>Subsidiary company</u>				
T.N.V. Plastics (Proprietary) Limited	136,118,912.58	6,616,600.00	(1,846,200.00)	(11,504,122.55)
<u>Indirect subsidiary company</u>				
T.N.P. Industry Co., Ltd.	99,854,058.58	-	-	-
Total	235,972,971.16	6,616,600.00	(1,846,200.00)	(11,504,122.55)
<u>Less Allowance for doubtful accounts</u>				
T.N.V. Plastics (Proprietary) Limited	(113,408,742.50)	(9,602,320.59)	-	-
T.N.P. Industry Co., Ltd.	(99,854,058.58)	-	-	-
Total	(213,262,801.08)	(9,602,320.59)	-	-
Net	22,710,170.08			

T.N.V. Plastics (Proprietary) Limited

Loan at the interest rate Prime rate + 2 per annum and due at call.

T.N.P. Industry Co., Ltd.

Loan in the form of promissory notes with the interest rate at MLR per annum.

The Company has stopped the recognition of interest in the financial statements from July 1, 2014, onwards, as the two subsidiaries will not have the ability to repay the interest in the near future.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Accrued Interest</u>				
<u>Subsidiaries</u>				
T.N.P. Industry Co., Ltd.	-	-	76,769,453.57	76,769,453.57
T.N.V. Plastics (Proprietary) Limited	-	-	16,819,315.58	16,880,866.00
Total	-	-	93,588,769.15	93,650,319.57
<u>Less Allowance for expected credit losses</u>				
(2019 : allowance for doubtful accounts)	-	-	(93,588,769.15)	(93,650,319.57)
Net	-	-	-	-
<u>Liabilities</u>				
<u>Trade and other account payable</u>				
<u>Subsidiaries</u>				
Thai Nam Automotive Performance Co., Ltd.	-	-	1,759,966.23	8,654,054.28
T.N.P. Industry Co., Ltd.	-	-	123,044.26	1,086,381.68
T.N.V. Plastics (Proprietary) Limited	-	-	-	16,682.22
Total	-	-	1,883,010.49	9,757,118.18

SHORT-TERM BORROWINGS FROM RELATED PARTIES

The change in transaction of the short-term borrowings from related parties for the years ended December 31, 2019 can be summarized as follows:

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht		
	Separate financial statements		
	As at December	Transaction during the year	
	31, 2018	Increase	Decrease
Subsidiaries			
Thai Nam Automotive Performance Co., Ltd.	5,000,000.00	19,400,000.00	(24,400,000.00)
Total	5,000,000.00	19,400,000.00	(24,400,000.00)

The Company has made a loan without entering into agreement and carrying mutual interest.

6.4 Significant business transactions for the year ended December 31, 2020 and 2019 were, as follows:

- Revenue and expenses between the Company and its subsidiaries which have been eliminated from consolidated financial statements.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Sale of goods				
Subsidiaries				
Taweewattana Logistics Co., Ltd.	-	-	508,132.44	737,674.71
TNV Plastics (Proprietary) Limited	-	-	15,829,414.52	57,582,886.96
T.N.P. Industry Co., Ltd.	-	-	2,219,011.03	28,472,064.30
Total	-	-	18,556,557.99	86,792,625.97
Rental income				
Subsidiaries				
Thai Nam Automotive Performance Co., Ltd.	-	-	1,758,480.00	1,758,480.00
T.N.P. Industry Co., Ltd.	-	-	2,456,400.00	2,456,400.00
Total	-	-	4,214,880.00	4,214,880.00
Other incomes				
Subsidiaries				
Thai Nam Automotive Performance Co., Ltd.	-	-	1,383,117.93	1,549,518.87
T.N.P. Industry Co., Ltd.	-	-	290,916.33	-
Total	-	-	1,674,034.26	1,549,518.87
Sale of assets				
Subsidiaries				
TNV Plastics (Proprietary) Limited	-	-	474,438.45	-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sale (purchase of goods)				
Subsidiaries				
Thai Nam Automotive Performance Co., Ltd.	-	-	-	34,366.27
T.N.P. Industry Co., Ltd.	-	-	890,070.25	386,451.50
Related Company				
Citric Acid Industry Co., Ltd.	-	71,410.00	-	71,410.00
Total	-	71,410.00	890,070.25	492,227.77
Cost of sale (Manufacturing expenses)				
Subsidiaries				
Thai Nam Automotive Performance Co., Ltd.	-	-	8,709,735.10	11,034,702.40
T.N.P. Industry Co., Ltd.	-	-	2,862,464.24	3,422,209.05
Total	-	-	11,572,199.34	14,456,911.45

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

- Expenses for director and key management personal

Expenses for director and management for the year ended December 31, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Director remuneration	1,680,000.00	1,680,000.00	1,680,000.00	1,680,000.00
Management's benefits				
Short-term employee benefit	19,394,147.00	25,266,180.00	19,394,147.00	25,266,180.00
Post-retirement benefits	508,596.76	522,743.27	508,596.76	522,743.27
Total	21,582,743.76	27,468,923.27	21,582,743.76	27,468,923.27

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

6.5 Significant agreements with related parties

Land and building lease agreement

The Company entered into an office building lease agreement with T.N.P. Industry Company Limited. The agreement has a period of 3 years from January 1, 2018 to December 31, 2020. It can renew the agreement upon the expiry of the agreement by both parties to agree on term and condition as agreed in the agreement.

The Company entered into an office building lease agreement with Thai Nam Automotive Performance Company Limited. The agreement has a period of 3 years from August 1, 2016 to July 31, 2019. Subsequently, on August 1, 2019, the Company has renewed the lease agreement with a period of 3 years from August 1, 2019 to July, 31 2022. It can renew the agreement upon the expiry of the agreement by both parties to agree on term and condition as agreed in the agreement.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	316,265.41	234,761.79	91,000.00	91,000.00
Deposits at financial institutions - current accounts	22,388,520.03	10,998,559.59	2,586,365.80	2,409,380.07
Deposits at financial institutions - savings accounts	19,090,559.55	12,236,429.47	1,149.15	1,799.37
Total	41,795,344.99	23,469,750.85	2,678,514.95	2,502,179.44

8. TRADE AND OTHER CURRENT RECEIVABLES - RELATED PARTIES

Trade and other current receivables - related parties consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Reclassified) (Note 33)		(Reclassified) (Note 33)
Trade and other current receivables				
Subsidiaries company - domestic	-	-	106,501,388.71	109,802,033.62
Subsidiaries company - oversea	-	-	182,435,151.06	184,965,226.95
Total	-	-	288,936,539.77	294,767,260.57
<u>Less</u> Allowance for expected credit losses				
(2019 : allowance for doubtful debts)	-	-	(271,980,251.21)	(205,222,169.37)
Net	-	-	16,956,288.56	89,545,091.20
Other current receivables, net	-	-	-	-
Total	-	-	16,956,288.56	89,545,091.20

Movement of the change in the allowance for expected credit losses (2019 : allowance for doubtful accounts) for the years ended December 31, 2020 and 2019 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance as at January 1				
- before adjustment	-	-	205,222,169.37	175,865,138.02
Adjustment from adoption of TFRS 9	-	-	9,177,620.52	-
Beginning balance as at January 1				
- after adjustment	-	-	214,399,789.89	175,865,138.02
Additional during the year	-	-	57,580,461.32	29,357,031.35
Deduction during the year	-	-	-	-
Ending balance as at December 31	-	-	271,980,251.21	205,222,169.37

Trade and other current receivables - related parties classified by currency consisted of:

	Separate financial statements			
	Foreign currencies		Baht	
	2020	2019	2020	2019
Trade accounts receivable, domestic;				
Baht			106,501,388.71	109,802,033.62
Trade accounts receivable, oversea;				
U.S. Dollars	5,984,987.69	5,699,069.06	178,756,021.36	181,600,369.08
Euro	100,812.16	100,812.16	3,679,129.70	3,364,857.87
			288,936,539.77	294,767,260.57

Trade receivables - related parties classified by ages of accounts consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Not over due	-	-	271,287.34	1,613,924.39
Over due not over 1 months	-	-	3,298,403.63	5,474,770.68
Over due 1 months to 2 months	-	-	951,651.71	3,281,307.56
Over due 2 months to 6 months	-	-	6,270,927.26	16,590,865.08
Over due 6 months to 12 months	-	-	6,739,085.94	56,132,241.09
Over due more than 12 months	-	-	271,405,183.89	211,674,151.77
Total	-	-	288,936,539.77	294,767,260.57

Other receivable - related parties consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Accrued Interest	-	-	93,588,769.15	93,650,319.57
<u>Less</u> Allowance for expected credit losses				
(2019 : allowance for doubtful accounts)	-	-	(93,588,769.15)	(93,650,319.57)
Net	-	-	-	-

Movement of the change in the allowance for expected credit losses (2019 : allowance for doubtful accounts) - accrued Interest for the years ended December 31, 2020 and 2019 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the year	-	-	93,650,319.57	94,950,086.62
Additional during the year	-	-	-	-
Deduction during the year	-	-	(61,550.42)	(1,299,767.05)
Ending balance at end of year	-	-	93,588,769.15	93,650,319.57

9. TRADE AND OTHER CURRENT RECEIVABLES - OTHER COMPANIES

Trade and other current receivables - other companies consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Trade receivables	167,667,654.67	139,119,884.15	158,324,201.49	134,091,771.77
Other current receivables, net	9,249,584.54	15,477,526.68	3,184,075.20	5,278,244.00
Total	176,917,239.21	154,597,410.83	161,508,276.69	139,370,015.77

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Trade receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables	178,751,514.63	150,305,450.12	169,281,577.37	145,441,461.58
Note receivables	1,054,375.31	3,154,192.06	997,836.97	2,990,068.22
Total	179,805,889.94	153,459,642.18	170,279,414.34	148,431,529.80
<u>Less</u> Allowance for expected credit losses				
(2019 : allowance for doubtful accounts)	(12,138,235.27)	(14,339,758.03)	(11,955,212.85)	(14,339,758.03)
Net	167,667,654.67	139,119,884.15	158,324,201.49	134,091,771.77

Movement of the allowance for expected credit losses (2019 : allowance for doubtful accounts) were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance as at January 1				
- before adjustment	14,339,758.03	3,860,183.20	14,339,758.03	3,817,468.57
Adjustment from adoption of TFRS 9	481,243.88	-	392,588.81	-
Beginning balance as at January 1				
- after adjustment	14,821,001.91	3,860,183.20	14,732,346.84	3,817,468.57
Additional during the year	323,301.08	10,525,723.20	228,933.73	10,525,723.20
Deduction during the year	(3,006,067.72)	(46,148.37)	(3,006,067.72)	(3,433.74)
Ending balance as at December 31	12,138,235.27	14,339,758.03	11,955,212.85	14,339,758.03

Trade receivables - other companies classified by currency consisted of:

	Consolidated financial statements			
	Foreign currencies		Baht	
	2020	2019	2020	2019
Trade receivables, domestic;				
Baht			153,102,005.84	122,968,578.12
Trade receivables, overseas;				
U.S. Dollars	583,039.28	916,390.46	17,413,867.46	27,641,386.28
Rand	4,373,419.00	1,326,110.00	9,290,016.64	2,849,677.78
			179,805,889.94	153,459,642.18
	Separate financial statements			
	Foreign currencies		Baht	
	2020	2019	2020	2019
Trade receivables, domestic;				
Baht			152,865,546.88	120,790,143.52
Trade receivables, overseas;				
U.S. Dollars	583,039.28	916,390.46	17,413,867.46	27,641,386.28
			170,279,414.34	148,431,529.80

Trade receivables - other companies classified by ages of accounts consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not over due	117,760,936.95	90,800,647.17	117,661,437.99	87,645,845.74
Over due not over 1 months	30,991,192.28	29,076,778.46	33,510,215.11	28,559,908.62
Over due 1 months to 2 months	15,296,060.87	6,803,984.75	3,545,906.18	6,639,860.91
Over due 2 months to 6 months	2,775,468.75	12,438,473.78	2,597,286.61	11,246,156.51
Over due 6 months to 12 months	1,552,863.85	-	1,535,201.21	-
Over due more than 12 months	11,429,367.24	14,339,758.02	11,429,367.24	14,339,758.02
Total	179,805,889.94	153,459,642.18	170,279,414.34	148,431,529.80

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Revenue Department receivable	3,427,038.34	3,574,013.95	2,227,056.25	1,868,469.11
Advance payment	5,055,017.05	8,909,199.09	258,760.38	1,823,136.40
Prepaid expenses	767,529.15	2,994,313.64	698,258.57	1,586,638.49
Total	<u>9,249,584.54</u>	<u>15,477,526.68</u>	<u>3,184,075.20</u>	<u>5,278,244.00</u>

10. INVENTORIES

Inventories consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	293,045,370.47	314,826,922.64	272,309,964.91	294,049,140.99
Work in process	33,225,924.14	34,552,431.34	28,690,830.43	24,361,462.47
Raw materials	138,091,790.26	154,594,968.38	121,760,934.97	136,805,915.72
Packaging and factory supplies	25,424,024.89	26,022,125.38	21,814,975.77	22,179,330.42
Goods in transit	12,260,272.23	2,592,255.21	12,260,272.23	2,592,255.21
Total	502,047,381.99	532,588,702.95	456,836,978.31	479,988,104.81
<u>Less</u> Allowance for obsolete stock	<u>(251,707,445.45)</u>	<u>(241,237,381.65)</u>	<u>(238,496,391.33)</u>	<u>(228,631,026.99)</u>
Net	<u>250,339,936.54</u>	<u>291,351,321.30</u>	<u>218,340,586.98</u>	<u>251,357,077.82</u>

Inventories classified by ages of accounts consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not over 1 years	184,133,087.31	235,509,344.73	157,561,393.30	198,502,940.72
Over 1 years to 2 years	44,733,449.31	37,896,939.55	41,059,518.34	35,704,339.39
Over 2 years to 3 years	28,441,870.97	21,772,909.95	26,503,584.49	20,819,685.95
Over 3 years to 4 years	18,276,996.03	11,628,215.64	17,515,061.74	11,030,120.87
Over 4 years to 5 years	9,633,747.64	24,280,626.84	9,031,305.18	23,967,730.07
Over more than 5 years	216,828,230.73	201,500,666.24	205,166,115.26	189,963,287.81
Total	<u>502,047,381.99</u>	<u>532,588,702.95</u>	<u>456,836,978.31</u>	<u>479,988,104.81</u>

Movement of the change in the allowance for obsolete stock were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the year	241,237,381.65	274,811,185.22	228,631,026.99	261,854,391.95
Additional during the year	10,670,317.55	616,770.45	10,065,618.09	-
Deduction during the year	(200,253.75)	(34,190,574.02)	(200,253.75)	(33,223,364.96)
Ending balance at end of year	<u>251,707,445.45</u>	<u>241,237,381.65</u>	<u>238,496,391.33</u>	<u>228,631,026.99</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Decline (reversal) in value of inventory recognized as cost of goods sold for the year	10,470,063.80	(33,573,803.57)	9,865,364.34	(33,223,364.96)

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of:

Subsidiary Company name	Type of Business	Paid up shares	Percentage of ownership (%)		Separated financial statements	
					At cost method (Baht)	
			2020	2019	2020	2019
Taweewattana Logistics Co., Ltd.	Distribution of PVC	Baht 3 million	99.99	99.99	2,999,700.00	2,999,700.00
Thai Nam Automotive Performance Co., Ltd.	Manufacture and distribute PVC/PP Foam Sheet and TPO and service of cutting sheet and Laminate Foam	Baht 10 million	99.99	99.99	12,603,800.02	12,603,800.02
TNV Plastics (Proprietary) Limited	Manufacture and distribute PVC products	Rand 1 million	100.00	100.00	4,280,861.58	4,280,861.58
Total					19,884,361.60	19,884,361.60
Less Allowance for impairment of investments					(7,280,561.58)	(2,999,700.00)
Net					12,603,800.02	16,884,661.60

Movement of the change in the allowance for obsolete stock for the years ended December 31, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the year	-	-	2,999,700.00	2,999,700.00
Additional during the year	-	-	4,280,861.58	-
Deduction during the year	-	-	-	-
Ending balance at end of year	-	-	7,280,561.58	2,999,700.00

12. INVESTMENT PROPERTY

Investment property consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at Dec 31, 2019	Movement during the year		
		Additions	Deduction	Transferred in (out)
At cost				
Land	7,763,896.67	-	-	-
Investment property - Net	7,763,896.67			

	Baht			
	Consolidated financial statements			
	Balance as at Dec 31, 2018	Movement during the year		
		Additions	Deduction	Transferred in (out)
At cost				
Land	7,763,896.67	-	-	-
Investment property - Net	7,763,896.67			

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht			
	Separate financial statements			
	Balance as at	Movement during the year		Balance as at
	Dec 31, 2019	Additions	Deduction	Dec 31, 2020
			Transferred in (out)	
<u>At cost</u>				
Land	17,007,481.77	-	-	17,007,481.77
Buildings for rent	23,084,332.63	-	-	23,084,332.63
Total	40,091,814.40	-	-	40,091,814.40
<u>Accumulated depreciation</u>				
Buildings for rent	(12,934,823.00)	(1,157,378.90)	-	(14,092,201.90)
Investment property - Net	27,156,991.40			25,999,612.50

	Baht			
	Separate financial statements			
	Balance as at	Movement during the year		Balance as at
	Dec 31, 2018	Additions	Deduction	Dec 31, 2019
			Transferred in (out)	
<u>At cost</u>				
Land	17,007,481.77	-	-	17,007,481.77
Buildings for rent	23,084,332.63	-	-	23,084,332.63
Total	40,091,814.40	-	-	40,091,814.40
<u>Accumulated depreciation</u>				
Buildings for rent	(11,780,606.35)	(1,154,216.65)	-	(12,934,823.00)
Investment property - Net	28,311,208.05			27,156,991.40

The Company's investment property is land and buildings for rent., the Company was appraised by independent appraisal. The fair value as at December 31, 2020 and 2019 is Baht 17.23 million and Baht 18.76 million (Separate financial statement amount of Baht 50.30 million and Baht 46.23 million), which is the appraisal value in 2018 and 2015, respectively.

For the years ended December 31, 2020 and 2019, the Company had rental income from investment property in the amount of Baht 2.10 million and Baht 2.10 million (Separate financial statement amount of Baht 6.31 million and Baht 6.31 million), respectively and operating expenses in the amount of Baht 1.16 million and Baht 1.16 million (Separate financial statement amount of Baht 1.15 million and Baht 1.15 million), respectively which were recognized in the statement of comprehensive income.

13. PROPERTY PLANT AND EQUIPMENT

Property plant and equipment consisted of:

	Baht						
	Consolidated financial statements						
	Balance per book	Impact of	Balance per book	Movement during the year			Balance per book
	as at December 31, 2019	TFRS 16 (Note 5)	as at January 1, 2020	Additions	Deduction	Transferred in (out)	as at December 31, 2020
						Exchange difference on transtating	
<u>At cost</u>							
Land	11,918,116.03	-	11,918,116.03	-	-	-	11,918,116.03
Land improvement	9,312,909.51	-	9,312,909.51	-	-	-	9,312,909.51
Building and building improvement	397,903,882.01	-	397,903,882.01	208,000.00	-	1,207,124.91	399,093,300.56
Machines and equipment	1,349,113,114.93	-	1,349,113,114.93	1,756,330.41	(9,715,998.76)	53,287,419.16	1,394,498,901.05
Utility system	32,279,269.33	-	32,279,269.33	462,888.00	-	79,050.00	32,821,207.33
Vehicles	11,019,676.61	(2,199,000.00)	8,820,676.61	559,546.94	-	585,000.00	9,822,164.45
Office equipment	57,607,551.97	-	57,607,551.97	868,982.87	(22,600.00)	-	58,445,589.37
Equipment and tools	249,487,838.92	-	249,487,838.92	1,510,248.80	(2,735,702.04)	6,478,691.12	254,741,076.80
Assets in progress	94,583,112.08	-	94,583,112.08	12,167,224.34	(1,018,416.82)	(61,052,285.19)	44,679,634.41
Total	2,213,225,471.39	(2,199,000.00)	2,211,026,471.39	17,533,221.36	(13,492,717.62)	585,000.00	2,215,332,899.51
<u>Accumulated depreciation</u>							
Land improvement	(8,070,657.76)	-	(8,070,657.76)	(238,262.07)	-	-	(8,308,919.83)
Building and building improvement	(257,505,075.60)	-	(257,505,075.60)	(13,698,746.95)	-	-	(271,357,736.26)
Machines and equipment	(1,288,898,576.11)	-	(1,288,898,576.11)	(15,778,341.43)	9,715,991.76	-	(1,295,011,052.30)
Utility system	(26,395,653.80)	-	(26,395,653.80)	(1,213,854.91)	-	-	(27,609,508.71)
Vehicles	(9,361,142.28)	916,342.95	(8,444,799.33)	(503,042.81)	-	(258,361.47)	(9,003,341.81)
Office equipment	(51,324,838.73)	-	(51,324,838.73)	(2,103,553.11)	22,599.00	-	(53,435,800.98)
Equipment and tools	(226,424,282.74)	-	(226,424,282.74)	(11,324,193.36)	2,726,371.91	-	(235,022,104.19)
Total	(1,867,980,227.02)	916,342.95	(1,867,063,884.07)	(44,859,994.64)	12,464,962.67	(258,361.47)	(1,899,748,464.08)
Allowance for impairment of fixed asset	(16,189,275.89)	-	(16,189,275.89)	-	-	-	(16,189,275.89)
Property, plant and equipment, net	329,055,968.48	(1,282,657.05)	327,773,311.43				299,395,159.54

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Baht					
Consolidated financial statements					
Balance per book as at December 31, 2018	Movement during the year				Balance per book as at December 31, 2019
	Additions	Deduction	Transferred in (out)	Exchange difference on transtating financial statement	
<u>At cost</u>					
Land	11,918,116.03	-	-	-	11,918,116.03
<u>Land improvement</u>	9,312,909.51	-	-	-	9,312,909.51
Building and building improvement	396,014,743.58	1,036,685.76	-	(822,411.81)	397,903,882.01
Machines and equipment	1,341,110,576.77	1,010,388.02	(712,769.02)	(641,014.52)	1,349,113,114.93
Utility system	31,993,440.36	285,828.97	-	-	32,279,269.33
Vehicles	11,032,276.61	-	-	(12,600.00)	11,019,676.61
Office equipment	56,117,152.68	1,681,088.57	(118,000.00)	(72,689.28)	57,607,551.97
Equipment and tools	243,699,867.88	5,589,030.49	(1,962,752.65)	-	249,487,838.92
Assets in progress	63,162,123.96	44,426,532.87	(823,053.39)	-	94,583,112.08
Total	2,164,361,207.38	54,029,554.68	(3,616,575.06)	(1,548,715.61)	2,213,225,471.39
<u>Accumulated depreciation</u>					
<u>Land improvement</u>	(7,833,046.68)	(237,611.08)	-	-	(8,070,657.76)
Building and building improvement	(243,803,383.74)	(13,767,646.04)	-	65,954.18	(257,505,075.60)
Machines and equipment	(1,267,511,289.95)	(22,510,105.42)	712,699.00	410,120.26	(1,288,898,576.11)
Utility system	(25,073,225.27)	(1,322,428.53)	-	-	(26,395,653.80)
Vehicles	(8,475,572.98)	(895,053.06)	-	9,483.76	(9,361,142.28)
Office equipment	(49,459,010.64)	(1,997,610.17)	96,174.95	35,607.13	(51,324,838.73)
Equipment and tools	(217,001,964.78)	(11,352,876.75)	1,930,558.79	-	(226,424,282.74)
Total	(1,819,157,494.04)	(52,083,331.05)	2,739,432.74	521,165.33	(1,867,980,227.02)
Allowance for impairment of fixed asset	(10,636,474.42)	(6,215,352.67)	662,551.20	-	(16,189,275.89)
Property, plant and equipment, net	334,567,238.92				329,055,968.48

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht					
	Separate financial statements					
	Balance per book	Impact of	Balance per book	Movement during the year		
	as at December	TFRS 16	as at January	Additions	Deduction	Balance per book
	31, 2019	(Note 5)	1, 2020			as at December
						31, 2020
<u>At cost</u>						
Land	143,593,595.93	-	143,593,595.93	-	-	143,593,595.93
Land improvement	9,312,909.51	-	9,312,909.51	-	-	9,312,909.51
Building and building improvement	341,024,352.81	-	341,024,352.81	208,000.00	-	342,439,477.72
Machines and equipment	895,801,636.56	-	895,801,636.56	-	(8,691,836.92)	940,397,218.80
Utility system	25,241,694.61	-	25,241,694.61	462,888.00	-	25,783,632.61
Vehicles	8,453,079.66	(2,199,000.00)	6,254,079.66	-	-	6,839,079.66
Office equipment	45,056,400.23	-	45,056,400.23	690,500.00	-	45,746,900.23
Equipment and tools	224,254,785.56	-	224,254,785.56	1,456,248.80	(2,735,702.04)	229,454,023.44
Assets in progress	98,449,316.03	-	98,449,316.03	12,167,224.34	(1,018,416.82)	48,545,838.36
Total	1,791,187,770.90	(2,199,000.00)	1,788,988,770.90	14,984,861.14	(12,445,955.78)	1,792,112,676.26
<u>Accumulated depreciation</u>						
Land improvement	(8,070,657.76)	-	(8,070,657.76)	(238,262.07)	-	(8,308,919.83)
Building and building improvement	(212,902,578.08)	-	(212,902,578.08)	(11,891,923.44)	-	(224,794,501.52)
Machines and equipment	(844,910,659.64)	-	(844,910,659.64)	(13,721,336.75)	8,691,830.92	(849,940,165.47)
Utility system	(19,830,356.07)	-	(19,830,356.07)	(1,153,854.90)	-	(20,984,210.97)
Vehicles	(6,805,118.47)	916,342.95	(5,888,775.52)	(482,606.74)	-	(6,629,743.73)
Office equipment	(40,525,161.88)	-	(40,525,161.88)	(1,636,853.32)	-	(42,162,015.20)
Equipment and tools	(200,632,623.44)	-	(200,632,623.44)	(11,172,134.86)	2,726,371.91	(209,078,386.39)
Total	(1,333,677,155.34)	916,342.95	(1,332,760,812.39)	(40,296,972.08)	11,418,202.83	(1,361,897,943.11)
Allowance for impairment of fixed asset	(16,189,275.89)	-	(16,189,275.89)	-	-	(16,189,275.89)
Property, plant and equipment, net	441,321,339.67	(1,282,657.05)	440,038,682.62			414,025,457.26

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Baht

Separate financial statements

	Balance per book as at December 31, 2018	Movement during the year			Balance per book as at December 31, 2019
		Additions	Deduction	Transferred in (out)	
<u>At cost</u>					
Land	143,593,595.93	-	-	-	143,593,595.93
<u>Land improvement</u>	9,312,909.51	-	-	-	9,312,909.51
Building and building improvement	338,312,802.57	1,036,685.76	-	1,674,864.48	341,024,352.81
Machines and equipment	887,966,121.90	202,350.00	(712,769.02)	8,345,933.68	895,801,636.56
Utility system	24,955,865.64	285,828.97	-	-	25,241,694.61
Vehicles	8,453,079.66	-	-	-	8,453,079.66
Office equipment	44,134,318.03	1,040,082.20	(118,000.00)	-	45,056,400.23
Equipment and tools	218,082,814.52	5,589,030.49	(1,578,752.65)	2,161,693.20	224,254,785.56
Assets in progress	67,028,327.91	44,426,532.87	(823,053.39)	(12,182,491.36)	98,449,316.03
Total	1,741,839,835.67	52,580,510.29	(3,232,575.06)	-	1,791,187,770.90
<u>Accumulated depreciation</u>					
<u>Land improvement</u>	(7,833,046.68)	(237,611.08)	-	-	(8,070,657.76)
Building and building improvement	(201,156,816.24)	(11,745,761.84)	-	-	(212,902,578.08)
Machines and equipment	(824,933,963.77)	(20,689,394.87)	712,699.00	-	(844,910,659.64)
Utility system	(18,567,927.55)	(1,262,428.52)	-	-	(19,830,356.07)
Vehicles	(5,975,118.43)	(830,000.04)	-	-	(6,805,118.47)
Office equipment	(39,027,382.90)	(1,593,953.93)	96,174.95	-	(40,525,161.88)
Equipment and tools	(191,146,040.53)	(11,065,334.56)	1,578,751.65	-	(200,632,623.44)
Total	(1,288,640,296.10)	(47,424,484.84)	2,387,625.60	-	(1,333,677,155.34)
Allowance for impairment of fixed asset	(10,636,474.42)	(6,215,352.67)	662,551.20	-	(16,189,275.89)
Property, plant and equipment, net	442,563,065.15				441,321,339.67

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Depreciation for the year				
Cost of sales	39,933,007.84	46,753,358.69	38,694,076.72	45,363,135.79
Administrative expenses	4,926,986.80	5,329,972.36	1,602,895.36	2,061,349.05
Total	<u>44,859,994.64</u>	<u>52,083,331.05</u>	<u>40,296,972.08</u>	<u>47,424,484.84</u>
Gain (loss) from sale of assets	(11,781.63)	(793,086.50)	(53,549.51)	(775,669.34)
Loss on impairment of fixed asset	-	5,552,801.47	-	5,552,801.47

The whole amount of land and building, some part of machineries and equipment of the Company and its subsidiaries were pledged as collateral against short-term from financial institutions. (Note 16 and 18)

As at December 31, 2020 and 2019, the Company and the subsidiary had building and equipment, which were the fully depreciated but they are still in use with value of Baht 1,609.87 million and Baht 1,583.61 million, respectively (for the Company's only amounting to Baht 1,133.38 million and Baht 1,106.52 million, respectively).

14. RIGHT-OF-USE ASSETS

Right-of-use assets consisted of:

	Baht						
	Consolidated financial statement						
	Balance per book as at December 31, 2019	Impact of TFRS 16 (Note 5)	Balance per book as at January 1, 2020	Movement during the year			Balance per book as at December 31, 2019
				Additions	Deduction	Transferred in (out)	Exchange difference on transtating
<u>At cost</u>							
Land	-	82,459,809.85	82,459,809.85	-	-	(945,917.27)	81,513,892.58
Vehicle	-	2,199,000.00	2,199,000.00	1,135,120.80	-	(585,000.00)	2,749,120.80
Total	-	84,658,809.85	84,658,809.85	1,135,120.80	-	(585,000.00)	84,263,013.38
<u>Accumulated depreciation</u>							
Land	-	-	-	(6,669,039.41)	-	-	(741,314.47)
Vehicle	-	(916,342.95)	(916,342.95)	(493,952.51)	-	258,361.47	(1,151,933.99)
Total	-	(916,342.95)	(916,342.95)	(7,162,991.92)	-	258,361.47	(8,562,287.87)
Right-of-use assets, net	-	83,742,466.90	83,742,466.90				75,700,725.51

	Baht						
	Separate financial statement						
	Balance per book as at December 31, 2019	Impact of TFRS 16 (Note 5)	Balance per book as at January 1, 2020	Movement during the year			Balance per book as at December 31, 2020
				Additions	Deduction	Transferred in (out)	
<u>At cost</u>							
Land	-	-	-	-	-	-	-
Vehicle	-	2,199,000.00	2,199,000.00	1,135,120.80	-	(585,000.00)	2,749,120.80
Total	-	2,199,000.00	2,199,000.00	1,135,120.80	-	(585,000.00)	2,749,120.80
<u>Accumulated depreciation</u>							
Land	-	-	-	-	-	-	-
Vehicle	-	(916,342.95)	(916,342.95)	(493,952.51)	-	258,361.47	(1,151,933.99)
Total	-	(916,342.95)	(916,342.95)	(493,952.51)	-	258,361.47	(1,151,933.99)
Right-of-use assets, net	-	1,282,657.05	1,282,657.05				1,597,186.81

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities consisted of:

	Baht			
	Consolidated financial statement		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	82,255,814.09	89,410,101.48	79,417,966.14	79,113,914.80
Deferred tax liabilities	(4,557,480.76)	(425,624.03)	-	-
Deferred tax assets (liabilities), net	<u>77,698,333.33</u>	<u>88,984,477.45</u>	<u>79,417,966.14</u>	<u>79,113,914.80</u>

	Baht			
	Consolidated financial statements			
	As at December	Income (expense) during the year		As at
	31, 2019	In profit or loss	In other comprehensive income	December 31, 2020
Deferred tax assets:				
Allowance for expected credit losses	5,200,000.00	-	-	5,200,000.00
Allowance for decline in value of obsolete stocks	47,675,466.38	1,985,487.08	-	49,660,953.46
Allowance for impairment of fixed asset	3,237,855.18	-	-	3,237,855.18
Employee benefit obligation	25,775,629.92	(1,295,953.64)	(310,707.47)	24,157,005.45
Loss carried forward on tax bases	7,521,150.00	(300,858.14)	-	-
Total	<u>89,410,101.48</u>	<u>388,675.30</u>	<u>(310,707.47)</u>	<u>82,255,814.09</u>
Deferred tax liabilities:				
Accelerated capital allowances for tax purposes	(425,624.03)	53.52	-	(420,670.20)
Leases	-	(3,719,172.84)	-	(4,136,810.56)
Total	<u>(425,624.03)</u>	<u>(3,719,119.32)</u>	<u>-</u>	<u>(4,557,480.76)</u>
Deferred tax assets (liabilities), net	<u>88,984,477.45</u>			<u>77,698,333.33</u>

	Baht			
	Consolidated financial statements			
	As at December	Income (expense) during the year		As at December
	31, 2018	In profit or loss	In other comprehensive income	31, 2019
Deferred tax assets:				
Allowance for doubtful accounts	12,008,542.93	(6,808,542.93)	-	5,200,000.00
Allowance for decline in value of obsolete stocks	54,304,625.26	(6,629,158.88)	-	47,675,466.38
Allowance for impairment of fixed asset	2,127,294.88	1,110,560.30	-	3,237,855.18
Employee benefit obligation	18,501,197.27	6,144,422.52	1,142,769.70	25,775,629.92
Loss carried forward on tax bases	25,075,680.00	(15,661,090.36)	-	7,521,150.00
Total	<u>112,017,340.34</u>	<u>(21,843,809.35)</u>	<u>1,142,769.70</u>	<u>89,410,101.48</u>
Deferred tax liabilities:				
Accelerated capital allowances for tax purposes	(220,854.05)	(213,808.29)	-	(425,624.03)
Total	<u>(220,854.05)</u>	<u>(213,808.29)</u>	<u>-</u>	<u>(425,624.03)</u>
Deferred tax assets (liabilities), net	<u>111,796,486.29</u>			<u>88,984,477.45</u>

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

For the years ended December 31, 2020 and 2019, the Company and its subsidiaries have reduced the carrying amount of deferred tax assets in the amount of Baht 7.52 million and Baht 43.05 million, respectively. (Note 26.2)

	Baht			
	Separate financial statements			
	As at December	Income (expense) during the year		As at December
	31, 2019	In profit or loss	In other comprehensive income	31, 2020
Deferred tax assets:				
Allowance for expected credit losses	5,200,000.00	-	-	5,200,000.00
Allowance for decline in value of obsolete stocks	45,726,205.40	1,973,072.87	-	47,699,278.27
Allowance for impairment of fixed asset	3,237,855.18	-	-	3,237,855.18
Employee benefit obligation	24,949,854.22	(1,296,274.78)	(376,139.45)	23,277,439.99
Lease	-	3,392.70	-	3,392.70
Total	79,113,914.80	680,190.79	(376,139.45)	79,417,966.14

	Baht			
	Separate financial statements			
	As at December	Income (expense) during the year		As at December
	31, 2018	In profit or loss	In other comprehensive income	31, 2019
Deferred tax assets:				
Allowance for doubtful accounts	12,000,000.00	(6,800,000.00)	-	5,200,000.00
Allowance for decline in value of obsolete stocks	52,370,878.40	(6,644,673.00)	-	45,726,205.40
Allowance for impairment of fixed asset	2,127,294.88	1,110,560.30	-	3,237,855.18
Employee benefit obligation	17,833,974.71	6,032,975.29	1,082,904.22	24,949,854.22
Total	84,332,147.99	(6,301,137.41)	1,082,904.22	79,113,914.80

For the years ended December 31, 2020 and 2019, the Company and its subsidiaries have reduced the carrying amount of deferred tax assets in the amount of Baht 0.00 million and Baht 6.80 million, respectively. (Note 26.2)

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

Bank overdrafts and short-term loans from financial institutions consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	486,223.91	16,516,630.13	486,223.91	16,516,630.13
Trust receipts	24,322,215.91	13,569,545.86	24,322,215.91	13,569,545.86
Promissory note	87,000,000.00	123,825,910.09	87,000,000.00	123,825,910.09
Total	111,808,439.82	153,912,086.08	111,808,439.82	153,912,086.08

The Company had credit facilities with a local commercial bank, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
(1) Bank overdrafts	MOR	35.00	35.00	30.00	30.00
(2) Letter of credit/trust receipt	MLR - MLR-2	110.00	110.00	110.00	110.00
(3) Promissory note	MLR-0.50 - MLR-2	220.00	220.00	220.00	220.00
(4) Forward foreign exchange contracts		10.00	10.00	10.00	10.00
(5) Letter of guarantee	-	10.00	10.00	10.00	10.00
(6) Long-term loan (Note 18)	MLR-1 - MLR-2	167.00	72.00	167.00	72.00
Total		552.00	457.00	547.00	452.00

Above the credit limit were guaranteed by mortgage of land, buildings and structures and some part of machineries of the Company and its subsidiaries (Note 13), and director of the company.

At the Board of Directors' Meeting No. 7/2020 held on July 17, 2020, the Board of Directors had a resolution for the Company to enter into a binding loan agreement and current credit facility with a local commercial bank according to the credit limit approval letter dated 15 July 2020 as follows:

- 16.1 Reduce the interest of current credit facility until June 30, 2021 as follows:
- 16.1.1 The interest rate of promissory note Baht 220.00 million is reduced from MLR-0.5 per annum to MLR-2 per annum.
- 16.1.2 Letter of credit/trust receipt facility is reduced to the rate that follows the rules of the bank - 2% per annum.
- 16.2 Cancel all loan guarantee of a director from the guarantee of the Company and subsidiary's credit facilities.

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Trade payables	102,214,673.80	88,617,006.51	95,815,464.61	92,852,172.87
Other current payable	20,604,172.82	21,554,459.89	18,036,317.11	18,221,334.90
Total	122,818,846.62	110,171,466.40	113,851,781.72	111,073,507.77

Trade payables classified by currency consisted of:

	Consolidated financial statements			
	Foreign currencies		Baht	
	2020	2019	2020	2019
Trade payables, domestic; Baht			85,296,663.53	78,318,741.27
Trade payables, overseas;				
U.S. Dollars	124,221.05	86,871.35	3,710,159.79	2,618,167.40
Euro	47,680.00	70,980.00	1,716,241.60	2,408,010.22
Singapore Dollars	140,148.00	-	3,209,389.20	-
Rand	3,898,983.00	2,453,389.00	8,282,219.68	5,272,087.62
Total			102,214,673.80	88,617,006.51

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Separate financial statements			
	Foreign currencies		Baht	
	2020	2019	2020	2019
Trade payables, domestic; Baht			87,179,674.02	87,809,313.03
Trade payables, oversea;				
U.S. Dollars	124,221.05	86,871.35	3,710,159.79	2,634,849.62
Euro	47,680.00	70,980.00	1,716,241.60	2,408,010.22
Singapore Dollars	140,148.00	-	3,209,389.20	-
Total			<u>95,815,464.61</u>	<u>92,852,172.87</u>

Other current payables consisted of:

	Baht			
	Consolidated financial statements		Consolidated financial statements	
	2020	2019 (Reclassified) (Note 33)	2020	2019 (Reclassified) (Note 33)
Accrued expenses	15,642,012.62	15,350,811.90	13,139,526.20	12,128,913.18
Dividend payable	2,196,488.58	2,202,013.11	2,196,488.58	2,202,013.11
Deposit received	100,265.40	871,953.66	100,265.40	871,953.66
Revenue Department	2,618,607.22	3,094,908.22	2,553,986.93	2,985,477.95
Other	46,799.00	34,773.00	46,050.00	32,977.00
Total	<u>20,604,172.82</u>	<u>21,554,459.89</u>	<u>18,036,317.11</u>	<u>18,221,334.90</u>

18. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans from financial institution	50,000,000.00	40,000,000.00	50,000,000.00	40,000,000.00
<u>Less</u> Current portion due within one year	<u>(21,000,000.00)</u>	<u>(7,200,000.00)</u>	<u>(21,000,000.00)</u>	<u>(7,200,000.00)</u>
Long-term loans, net	<u>29,000,000.00</u>	<u>32,800,000.00</u>	<u>29,000,000.00</u>	<u>32,800,000.00</u>

Consolidated/Separate financial statement									
No.	Year	Credit limit (Million)		Withdrawn (million Baht)		Interest rate (%)	Monthly repayment schedule of principal and interest	Outstanding principal (Baht)	
		2020	2019	2020	2019			2020	2019
1	2019	72.00	72.00	50.00	40.00	MLR-2, MLR-1	Within 66 months from the first withdrawn loan Installments in monthly of Baht 1,500,000.00	50,000,000.00	40,000,000.00
2	2020	95.00	-	-	-	MLR-2	Within 47 months from the first withdrawn loan installments in monthly as follow: No. 1 - 18 Baht 2.00 million, No. 19 - 34 Baht 3.50 million, No. 35 pay off the remaining	-	-
Total		<u>167.00</u>	<u>72.00</u>	<u>50.00</u>	<u>40.00</u>			<u>50,000,000.00</u>	<u>40,000,000.00</u>

As at December 31, 2020 and 2019, the Company has long-term loan limit with a local commercial bank were guaranteed by the mortgage of land, buildings and structures and some part of machineries of the Company and its subsidiaries (Note 13), and directors of the Company.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

At the Board of Directors' Meeting No. 7/2020 held on July 17, 2020, the Board of Directors had a resolution for the Company to enter into a binding loan agreement and current credit facility with a local commercial bank according to the credit limit approval letter dated 15 July 2020 as follows:

- 18.1 Long-term loan (New loan) of Baht 95.00 million is due for the principal payment within 47 months from the first loan drawdown date at the interest rate of MLR-2 per annum. The loan drawdown period is within 12 months from the agreement signing date.
- 18.2 The condition of long-term loan facility in credit limit Baht 72 million is revised as follows:
 - 18.2.1 Extend the period of loan drawdown from within December 9, 2020 to April 30, 2021.
 - 18.2.2 Adjust down the interest rate from MLR-1 per annum to MLR-2 per annum.
 - 18.2.3 Extend the period of the first loan repayment for another 12 months from July 2020 to July 2021.
- 18.3 Cancel all loan guarantee of a director from the guarantee of the Company and subsidiary's credit facilities.

19. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 and 2019 are presented below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance as at January 1, 2020 - before adjustment	580,031.25	1,065,468.75	580,031.25	1,065,468.75
The impacts of the adoption of TFRS16	82,459,809.85	-	-	-
Balance as at January 1, 2020 - after adjustment	83,039,841.10	1,065,468.75	580,031.25	1,065,468.75
Addition during the year	1,135,120.80	-	1,135,120.80	-
Accretion of interest during the year	7,424,225.70	53,284.50	88,282.36	53,284.50
Payments during the year	(8,571,516.77)	(538,722.00)	(544,212.00)	(538,722.00)
Exchange difference on translating financial statement	(1,022,767.34)	-	-	-
Balance as at December 31, 2020	82,004,903.49	580,031.25	1,259,222.41	580,031.25
Less: current portion	(8,604,383.76)	(302,625.00)	(529,815.65)	(302,625.00)
Lease liabilities - net of current portion	73,400,519.73	277,406.25	729,406.76	277,406.25

The following are the amounts recognized in profit or loss:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation of right-of-use assets	7,162,991.92	-	493,952.51	-
Interest expense on lease liabilities	7,424,225.70	53,284.50	88,282.36	53,284.50
Expense relating to short-term lease	396,000.00	274,500.00	396,000.00	274,500.00
Leases of low - value assets	61,800.00	253,500.00	61,800.00	253,500.00
Exchange difference on translating	(1,022,767.34)	-	-	-
Total	14,022,250.28	581,284.50	1,040,034.87	581,284.50

The Company and its subsidiaries had total cash outflows for leases of Baht 9.03 million (the separate: Baht 1.00 million).

20. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	127,467,442.39	96,518,027.63	124,749,271.08	89,169,873.57
Benefits paid by the plan during the year	(14,704,244.86)	(10,261,499.00)	(14,693,122.76)	(8,193,299.00)
Past service costs and interest				
- change a considered a post employment plan amendment	-	25,664,389.54	-	23,632,086.02
Current service costs and interest during the year	8,489,210.13	9,832,675.74	8,211,748.86	9,173,837.06
Transfer in provisions for employee benefits from subsidiaries	-	-	-	5,552,252.34
(Gains) losses on re-measurements of defined benefit plans	(1,553,537.33)	5,713,848.48	(1,880,697.27)	5,414,521.09
Ending balance	119,698,870.33	127,467,442.39	116,387,199.91	124,749,271.08
Less: current portion	(13,809,153.86)	(14,693,122.76)	(13,809,153.86)	(14,693,122.76)
Employee benefit obligations				
- net of current portion	105,889,716.47	112,774,319.63	102,578,046.05	110,056,148.32

Expense recognized in the statements of comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Past service costs and interest	-	25,664,389.54	-	23,632,086.02
Transfer in employee benefits from subsidiaries	-	-	-	5,552,252.34
Current service costs				
Cost of sales	3,923,215.52	3,578,769.58	3,748,552.05	3,214,881.90
Selling expense	294,244.06	464,019.69	282,717.21	447,201.29
Administrative expenses	2,161,829.91	2,158,978.01	2,161,829.91	2,037,106.42
Interest on obligation	1,849,291.84	2,920,459.84	1,799,304.01	2,675,936.18
Remeasurements of other long-term benefits	260,628.80	710,448.62	219,345.68	798,711.27
	8,489,210.13	9,832,675.74	8,211,748.86	9,173,837.06
Total	8,489,210.13	35,497,065.28	8,211,748.86	38,358,175.42

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

(Gains) losses on re-measurements of defined benefit plans

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Actuarial (gains) losses arising from				
Changes in demographic assumptions	(7,236.96)	(7,374.75)	(8,442.23)	(8,449.98)
Changes in financial assumptions	(2,787,254.93)	8,996,669.92	(2,883,034.19)	8,660,493.26
Experience adjustments	1,240,954.56	(3,275,446.69)	1,010,779.15	(3,237,522.19)
Total	(1,553,537.33)	5,713,848.48	(1,880,697.27)	5,414,521.09

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 and 2019 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate				
1% increase	(4,441,355.29)	(9,025,634.61)	(4,102,304.11)	(8,718,221.52)
1% decrease	4,808,037.14	10,441,875.71	4,404,226.32	10,076,929.21
Salary increase rate				
1% increase	9,072,273.58	9,952,066.36	8,722,886.84	9,629,170.62
1% decrease	(8,053,257.71)	(8,809,517.32)	(7,750,105.53)	(8,531,351.33)
Employee turnover rate				
20% increase	(3,470,292.77)	(3,838,365.74)	(3,348,027.15)	(3,749,384.56)
20% decrease	3,744,079.30	4,182,288.16	3,611,906.25	4,062,444.08

Principal actuarial assumptions at the reporting date

	2020		2019	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	1.49 - 1.60	1.49	1.80 - 2.66	1.61
Salary increase rate	5.00 - 6.00	5.00	5.00 - 6.00	5.00
Employee turnover rate	0.96 - 22.92	1.43 - 17.19	0.96 - 22.92	1.43 - 17.19
Disability rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate
Mortality rate	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017

21. WARRANTS

At the Annual General Meeting of Shareholders of the Company for the year 2016, held on April 29, 2016, the shareholders approved the issuance of warrants for rights to purchase ordinary shares of the Company No.1 (TNPC-W1) by allocating to the Company's existing shareholders according to ratio of shareholding (Rights Offering Warrant) for the rate of 6 existing ordinary shares per 1 unit of warrant with free of charge which the total number is not exceeding 53,252,740 units and on July 11, 2016, the Company issued such warrants, details of which are as follows:

Type of warrant	: Warrants to purchase of ordinary shares of Thai Nam Plastic Public Company Limited Series#1 (TNPC-W1)
Type	: Transferable named certificate
Offering / Allocation	: Offered to existing shareholders
Amount of warrants	: 53,252,049 units
Offering price	: Baht 0 per unit
Terms of warrants	: 3 years from the issuing date
Exercise ratio	
Before adjustment	: 1 unit of warrant per new 1.02 ordinary share
After adjustment	: 1 unit of warrant per new 1.03 ordinary share
Exercise price	
Before exercise price	: 2.21 Baht per share
After exercise price	: 2.19 Baht per share

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

The reason for adjustment	:	The Company shall adjust the exercise price and exercise ratio to ensure that the benefits of the Warrant Holders are not less than the existing status. The reasons for adjustment of this event are as follows; dividend payment rate is higher than the rate which is specified in term and condition
Effective date for adjustment	:	May 7, 2019
Exercise period	:	To exercise the warrant every 6 month. The shareholders shall be able to exercise the warrants on the last business day of May and November of each year and the last exercise date is the date that the warrants are 3 years from the issuance date.
First exercise date	:	May 31, 2017
Last exercise date	:	June 7, 2019

Movements of the Company's warrants during the year period as follows:

Warrant	Units			
	Number of warrants outstanding as at December 31, 2018	Number of warrants exercised during the year	Number of warrants maturity exercise during the year	Number of warrants outstanding as at December 31, 2019
TNPC-W1	53,252,049	(373)	(53,251,676)	-
Total	53,252,049	(373)	(53,251,676)	-

The exercises warrant for the year ended December 31, 2019 and registration of share increasing for exercised warrants were summarized as follows:

Exercise date	Registration of share increasing date	Number of exercised warrant	Baht		
			Consolidated / Separated financial statements		
			Share capital increase	Share premium accounts	Amount
June 7, 2019	June 24, 2019	373	382.00	454.58	836.58

22. APPROPRIATION OF RETAINED EARNINGS

Legal reserve

Under the provision to the Public Limited Companies, the Company is required to set aside as statutory reserve at least 5% of its net income after deduction accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

Year 2019

At the Annual General Meeting of Shareholders of the Company for the year 2019, held on April 29, 2019, the shareholders approved the payment of dividends to the shareholders of the Company for the performance result of the fiscal year 2018, at the rate of Baht 0.04 per share, totaling Baht 12.78 million by the ordinary shares paid as dividends at the cash paid. The shareholders whose names appear in the Share Register as at May 8, 2019 shall be entitled to receive the dividends. The Company paid the dividends to the shareholders on May 24, 2019 and approved the appropriation of profit as a legal reserve in the amount of Baht 1.02 million.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

23. OPERATING SEGMENT

The Company and its subsidiaries operate in 2 main report by products operating segments in main geographical area, Thailand as follows:

Type of operating segment	Nature of operating segment
- Manufacturing of plastic parts of automobile industry group	Artificial leather and automobile rubber flooring
- Others-plastic parts of other industry group such as packaging manufacture industry and pharmaceutical, etc.	Various types of plastics both soft and rigid, rolls and plate

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Details of financial information by segment operations for the year ended December 31, 2020 and 2019 were as follows:

	Baht					
	Consolidated financial statements					
	Automobile industry group		Others		Total	
	2020	2019	2020	2019	2020	2019
Revenue from sales	716,983,428.37	874,674,182.15	5,803,852.02	47,886,314.24	722,787,280.39	922,560,496.39
Cost of sales	(549,835,393.65)	(715,413,288.96)	(9,476,733.51)	(54,634,797.35)	(559,312,127.16)	(770,048,086.31)
Gross profit (loss)	167,148,034.72	159,260,893.19	(3,672,881.49)	(6,748,483.11)	163,475,153.23	152,512,410.08
Distribution costs	(27,470,472.76)	(37,148,698.17)	(122,892.40)	(1,664,230.00)	(27,593,365.16)	(38,812,928.17)
Administrative expenses	(133,085,006.44)	(155,612,752.89)	(2,345,441.50)	(6,897,277.58)	(135,430,447.94)	(162,510,030.47)
Operating profit (loss)	6,592,555.52	(33,500,557.87)	(6,141,215.39)	(15,309,990.69)	451,340.13	(48,810,548.56)
Other income (other expenses)					21,028,413.86	(1,142,165.20)
Finance cost					(15,803,261.17)	(13,220,153.23)
Tax income (tax expenses)					(3,357,382.03)	(22,296,205.49)
Profit (loss) for the year					2,319,110.79	(85,469,072.48)

Information about geographical areas

The Company and its subsidiaries' revenue from sales separated by geographical area for the year ended December 31, 2020 and 2019, were summarized as follows:

	Baht	
	Consolidated financial statements	
	2020	2019
Domestic	588,049,262.02	779,952,820.93
Export	134,738,018.37	142,607,675.46
Total	722,787,280.39	922,560,496.39

Non-current assets of the Company and its subsidiaries separated by geographical area as at December 31, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements			
	Automobile industry group		Others	
	2020	2019	2020	2019
Property, plant and equipment				
- Thailand	272,948,559.89	300,414,329.67	4,802,692.51	5,852,898.13
- South Africa	21,643,907.14	22,788,740.68	-	-
	<u>294,592,467.03</u>	<u>323,203,070.35</u>	<u>4,802,692.51</u>	<u>5,852,898.13</u>

Information about major customers

The Company and its subsidiaries' revenue from sales from their major customers for the year ended December 31, 2020 and 2019, were summarized as follows:

	Baht	
	Consolidated financial statements	
	2020	2019
Domestic automobile parts manufacturing	505,259,636.28	636,513,965.15
Export automobile parts manufacturing	101,587,768.62	105,878,171.56

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Changed in inventories of finished goods and work in process	23,108,059.37	55,365,097.26	17,409,808.12	55,798,341.38
Raw materials and consumables used	308,603,640.52	487,195,800.08	308,312,979.77	448,358,760.30
Staff expenses	221,248,354.52	294,485,253.49	187,791,998.84	260,899,730.70
Depreciation and amortization charges	52,022,986.55	52,083,331.05	41,948,303.49	48,578,701.49
Electricity - Water supply	23,470,204.36	30,817,933.82	19,996,271.13	25,613,996.92
Expected credit losses (reversal)				
(2019 : Bad debts and doubtful debts)	(2,682,766.64)	10,479,574.83	54,270,017.13	48,181,874.35
Maintenance expense	8,344,828.18	15,204,945.07	7,592,619.29	12,612,299.03

25. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act.

The Company's contributions for the years ended December 31, 2020 and 2019 were amounted to Baht 2.59 million and Baht 8.16 million (separate financial statements : Baht 2.54 million and Baht 7.88 million), respectively.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

26. INCOME TAX EXPENSE

26.1 Major component of income tax expense (tax income)

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Income tax expense shown in profit or loss:				
Current tax expense:				
Income tax expense for the year	26,938.01	238,587.85	-	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	3,330,444.02	22,057,617.64	(680,190.79)	6,031,137.41
Total	3,357,382.03	22,296,205.49	(680,190.79)	6,031,137.41
Income tax relating to components of other comprehensive income:				
Actuarial gain (loss)	310,707.47	(1,142,769.70)	376,139.45	(1,082,904.22)
Total	310,707.47	(1,142,769.70)	376,139.45	(1,082,904.22)

26.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) for the year	5,676,492.82	(63,172,866.99)	(69,763,868.75)	(86,892,295.83)
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	1,135,298.56	(12,634,573.40)	(13,952,773.75)	(17,378,459.17)
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:	11,848,753.14	10,013,235.27	11,835,555.82	9,803,342.55
Tax effect of income that are required in determining taxable profit:	2,488,088.58	3,243,097.17	2,488,088.58	3,243,097.17
The amount of previously unrecognized tax losses for a prior year that is used to reduce current tax expense	1,933,614.92	7,628,458.48	-	3,833,156.86
Effect on deferred tax from progressive tax rate				-
Effect on deferred tax from elimination	(18,096,016.63)	(13,596,268.48)	-	-
Revaluation of the deferred tax resulting from difference in tax rates	(2,422,445.10)	(2,567,105.79)	-	-
The amount of previously unrecognized tax losses for a Prior period that is used to reduce current tax expense	(1,051,061.44)	(12,838,633.36)	(1,051,061.44)	-
Deferred tax expense arising from the write-down of deferred tax asset	7,521,150.00	43,047,995.60	-	6,800,000.00
Total reconciliation items	2,222,083.47	34,930,778.89	13,272,582.96	23,679,596.58
Total tax expense	3,357,382.03	22,296,205.49	(680,190.79)	6,301,137.41

As at December 31, 2020 and 2019, the Company and its subsidiaries had an accumulated loss (in tax) that was still unused in the amount of Baht 375.20 million and Baht 192.26 million, (separate financial statement in the amount of Baht 13.91 million and Baht 19.17 million), respectively. The Company and its subsidiaries did not record deferred tax assets from such loss because there was an uncertainty whether the Company and its subsidiaries would have enough profit to utilize the benefits from deferred tax assets or not.

26.3 A numerical reconciliation between tax average effective tax rate and the application tax rate

	Consolidated financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	5,676,492.82		(63,172,866.99)	
Tax expense (income) at the applicable tax rate	1,135,298.56	20.00	(12,634,573.40)	20.00
Reconciliation items	2,222,083.47	39.15	34,930,778.89	(55.29)
Income tax expense at the average effective tax rate	3,357,382.03	59.15	22,296,205.49	(35.29)

	Separate financial statement			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(69,763,868.75)		(86,892,295.83)	
Tax expense (income) at the applicable tax rate	(13,952,773.75)	20.00	(17,378,459.17)	20.00
Reconciliation items	13,272,582.96	(19.03)	23,679,596.58	(27.25)
Income tax expense at the average effective tax rate	(680,190.79)	0.97	6,301,137.41	(7.25)

27. Privileges and benefits from investment promotion

The Company is entitled to privileges and benefits from investment promotion under the Investment Promotion Act B.E. 2520 for 1 project as follows:

The Investment Promotion Certificate No. 63-0062-1-05-1-0 dated November 6, 2019 in the SYNTHETIC LEATHER AND PLASTIC SHEET manufacturing business type 6.6 PLASTIC PRODUCTS FOR INDUSTRIAL GOODS

- Exemption of import duty for machinery as approved by the board
- Exemption from corporate income tax for net profit from the investment promotion at 100 percent of investment in automatic system or robot for a period of 3 years from the revenue earning from the investment promotion.
- In case of loss during the exemption of income tax period, the annual loss incurred during that period is allowed to be deducted from net profit after corporate income tax exemption is not over 5 years from the overdue date. It can be deducted from net profit of any year or several years.
- Exemption of import duty for raw material and essential supplies to be imported from overseas for manufacturing to reexport until April 29, 2020.
- Exemption of import duty for items imported for re-export until April 29, 2020.

28. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year by the weighted average number of ordinary shares which are issued and paid-up during the year.

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Profit (loss) for the year of parent company (Baht)	2,319,110.79	(85,469,072.48)	(69,083,677.96)	(93,193,433.24)
Weighted average number of ordinary shares (Shares)	319,516,823	319,516,641	319,516,823	319,516,641
Basic earnings (loss) per share (Baht per share)				
Profit (loss) attributable to owners of the parent	0.01	(0.27)	(0.22)	(0.29)

29. FINANCIAL INSTRUMENTS

29.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

29.2 Classification and measurement the financial assets and liabilities

On December 31, 2020, the Company and its subsidiaries's management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as amortized cost.

29.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and short-term loans to related party. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

29.4 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term and machine payable. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provide significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2020 and 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht				
	Consolidated financial statements				
	2020				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	19,090,559.55	-	22,704,785.44	41,795,344.99	0.50 - 0.125
Trade and other current receivables	-	-	176,917,239.21	176,917,239.21	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	111,808,439.82	-	-	111,808,439.82	3.25 - 5.875
Trade and other current payables	-	-	122,818,846.62	122,818,846.62	-
Long-term loan from financial institutions	50,000,000.00	-	-	50,000,000.00	3.25
Liabilities under a finance lease agreement	-	82,004,903.49	-	82,004,903.49	5.25 - 6.758

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht				
	Consolidated financial statements				
	2019				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	12,236,429.47	-	11,233,321.38	23,469,750.85	0.375
Trade and other current receivables	-	-	154,597,410.83	154,597,410.83	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	153,912,086.08	-	-	153,912,086.08	5.50 - 7.00
Trade and other current payables	-	-	110,171,466.40	110,171,466.40	-
Long-term loan from financial institutions	40,000,000.00	-	-	40,000,000.00	5.00
Liabilities under a finance lease agreement	-	580,031.25	-	580,031.25	6.758

	Baht				
	Separate financial statement				
	2020				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	1,149.15	-	2,677,365.80	2,678,514.95	0.50 - 0.125
Trade and other current receivables	-	-	178,464,565.25	178,464,565.25	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	111,808,439.82	-	-	111,808,439.82	3.25 - 5.875
Trade and other current payables	-	-	113,851,781.72	113,851,781.72	-
Long-term loan from financial institutions	50,000,000.00	-	-	50,000,000.00	3.25
Liabilities under a finance lease agreement	-	1,259,222.41	-	1,259,222.41	5.25 - 6.758

	Baht				
	Separate financial statement				
	2019				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	1,799.37	-	2,500,380.07	2,502,179.44	0.375
Trade and other current receivables	-	-	228,915,106.97	228,915,106.97	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	153,912,086.08	-	-	153,912,086.08	5.50 - 7.00
Trade and other current payables	-	-	111,073,507.77	111,073,507.77	-
Long-term loan from financial institutions	40,000,000.00	-	-	40,000,000.00	5.00
Liabilities under a finance lease agreement	-	580,031.25	-	580,031.25	6.758

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

29.5 Foreign currency risk

The Company and its subsidiary companies incurred risk foreign currencies exchange due to the Company and its subsidiary companies constitutes cash at banks, trade accounts receivable, trust receipts and trade accounts payable in foreign currencies which the Company had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As of December 31, 2020 and 2019, the Company and its subsidiary has no outstanding foreign exchange contracts and constitutes foreign currencies assets and liabilities which mainly due within one year as follows:

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Baht per foreign currency unit)					
US Dollar	583,039.28	916,390.46	384,987.92	149,862.07	30.0371	30.1540
Euro	-	-	47,680.00	70,980.00	36.8764	33.7311
Singapore Dollar	-	-	140,148.00	516,031.40	22.6632	22.3245
Africa Rand	4,373,419.00	4,718,926.00	4,806,736.00	3,622,185.00	2.1242	2.1489

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Baht per foreign currency unit)					
US Dollar	12,227,688.06	11,494,784.33	124,221.05	149,862.07	30.0371	30.1540
Euro	100,812.16	100,812.16	47,680.00	70,980.00	36.8764	33.7311
Singapore Dollar	-	-	140,148.00	516,031.40	22.6632	22.3245

For the years ended December 31, 2020 and 2019, the aggregate net foreign exchange gains (losses) recognized in profit or loss are as follow:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Unrealized gain (loss) on exchange rates	14,318,925.75	4,539,118.44	(11,834,058.96)	(14,849,424.07)
Gain (loss) on exchange rates				
- Other income	-	-	232,614.24	-
- Administrative expense	(9,361,692.26)	(5,308,649.48)	-	(4,432,437.10)
Total net gain (loss) on exchange rate				
recognized in profit before income tax	<u>4,957,233.49</u>	<u>(769,531.04)</u>	<u>(11,601,444.72)</u>	<u>(19,281,861.17)</u>

29.6 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

29.7 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Baht				
	Consolidated financial statements				
	Balance	Cash flows	Non-cash transaction		
	as at January 1, 2020	Increase (decrease)*	Increase	The impact of adopted TFRSs	Differences on translation of financial
Short-term borrowings from financial institutions	153,912,086.08	(42,033,181.04)	-	-	(70,465.22)
Long-term borrowings from financial institutions	40,000,000.00	10,000,000.00	-	-	-
Liabilities under a finance lease agreement	580,031.25	(1,147,291.07)	1,135,120.80	82,459,809.85	(1,022,767.34)
Total	194,492,117.33	(33,180,472.11)	1,135,120.80	82,459,809.85	(1,093,232.56)

	Baht				
	Consolidated financial statements				
	Balance	Cash flows	Non-cash transaction		
	as at January 1, 2019	Increase (decrease)*	Increase	The impact of adopted TFRSs	Differences on translation of financial
Short-term borrowings from financial institutions	240,758,931.52	(87,104,281.81)	-	-	257,436.37
Long-term borrowings from financial institutions	-	40,000,000.00	-	-	-
Liabilities under a finance lease agreement	1,065,468.75	(485,437.50)	-	-	-
Total	241,824,400.27	(47,589,719.31)	-	-	257,436.37

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flow.

	Baht				
	Separate financial statements				
	Balance	Cash flows	Non-cash transaction		
	as at January 1, 2020	Increase (decrease)*	Increase	The impact of adopted TFRSs	Differences on translation of financial
Short-term borrowings from financial institutions	153,912,086.08	(42,033,181.04)	-	-	(70,465.22)
Long-term borrowings from financial institutions	40,000,000.00	10,000,000.00	-	-	-
Liabilities under a finance lease agreement	580,031.25	(455,929.64)	1,135,120.80	-	-
Total	194,492,117.33	(32,489,110.68)	1,135,120.80	-	(70,465.22)

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

	Baht				
	Separate financial statements				
	Balance	Cash flows	Non-cash transaction		
	as at January 1, 2019	Increase (decrease)*	Increase	The impact of adopted TFRSs	Differences on translation of financial
					Balance as at December 31, 2019
Short-term borrowings from financial institutions	240,758,931.52	(87,104,281.81)	-	-	257,436.37
Short-term borrowings from related parties	5,000,000.00	(5,000,000.00)	-	-	-
Long-term borrowings from financial institutions	-	40,000,000.00	-	-	-
Liabilities under a finance lease agreement	1,065,468.75	(485,437.50)	-	-	-
Total	246,824,400.27	(52,589,719.31)	-	-	257,436.37
					194,492,117.33

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flow.

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Outstanding letters of credit

As at December 31, 2020 and 2019, the Company and its subsidiaries had commitments for the outstanding letters of credit amounting equivalent to Baht 15.72 million and equivalent to Baht 3.77 million (Separate financial statement amounting equivalent to Baht 15.72 million and equivalent to Baht 3.77 million), respectively.

31.2 Letter of guarantee

As at December 31, 2020 and 2019, the Company and its subsidiaries had contingent liabilities for the letter of guarantees issued by the bank in the total amount of Baht 5.80 million and Baht 5.80 million (Separate financial statement amount of Baht 4.60 million and Baht 4.60 million), respectively.

31.3 Commitment on capital expenditure

As at December 31, 2020 and 2019, the Company has commitment to pay under the purchase agreement with local companies totaled Baht 2.05 million and Baht 4.98 million. The Company has an outstanding commitment under the agreement amounted Baht 0.68 million and Baht 2.35 million, respectively

31.4 Service agreement

As at December 31, 2020 and 2019, the Company has commitment to pay under the Technical Consultancy Service contract with person totaled Baht 16.81 million and Baht 16.81 million. The Company has an outstanding commitment under the agreement amounted Baht 3.09 million and Baht 9.77 million, respectively.

31.5 Operating lease agreements

As at December 31, 2020 and 2019, the Company and its subsidiaries has minimum future rental payments under the operating lease agreements as follow:

	Consolidated financial statements				Separate financial statement	
	2020		2019		2020	2019
	Rand	Baht	Rand	Baht	Baht	Baht
Payments payments						
Within 1 year	-	123,600.00	4,199,040.00	9,023,107.10	123,600.00	-
Over 1 year and less than 5 years	-	-	26,604,819.46	57,169,766.30	-	-
Over 5 year	-	-	39,091,208.21	84,001,142.77	-	-
Total	-	123,600.00	69,895,067.67	150,194,016.17	123,600.00	-

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

As at December 31, 2020, the Company and its subsidiaries had no obligations under lease agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 5.2 to the interim financial statements.

32. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2020, the Group's debt-to-equity ratio was 1.10 : 1 (as at December 31, 2019 was 0.94 : 1) and the Company's was 0.73 : 1 (as at December 31, 2019 was 0.69 : 1).

33. RECLASSIFICATION

Certain reclassifications have been made in the financial statements of year 2019 to conform to the classifications used in the financial statements of years 2020 as follows:

- Statements of financial position

	Baht		
	Consolidated financial statements		
	As at December 31, 2019		
	As previously reported	Reclassified increase (decrease)	As reclassified
Trade and other current receivables	139,119,884.15	15,477,526.68	154,597,410.83
Other current assets	15,477,526.68	(15,477,526.68)	-
Trade and other current payables	107,043,277.19	3,128,189.21	110,171,466.40
Other current liabilities	3,128,189.21	(3,128,189.21)	-
Employee benefit obligations	127,467,442.39	(127,467,442.39)	-
Current provisions for employee benefit	-	14,693,122.76	14,693,122.76
Non-current provisions for employee benefit	-	112,774,319.63	112,774,319.63

	Baht		
	Separated financial statements		
	As at December 31, 2019		
	As previously reported	Reclassified increase (decrease)	As reclassified
Trade and other current receivables			
Related parties	89,545,091.20	-	89,545,091.20
Other companies	134,091,771.77	5,278,244.00	139,370,015.77
	223,636,862.97	5,278,244.00	228,915,106.97
Other current assets	5,278,244.00	(5,278,244.00)	-
Trade and other current payables			
Related parties	9,757,118.18	-	9,757,118.18
Other companies	98,297,934.64	3,018,454.95	101,316,389.59
	108,055,052.82	3,018,454.95	111,073,507.77
Other current liabilities	3,018,454.95	(3,018,454.95)	-
Employee benefit obligations	124,749,271.08	(124,749,271.08)	-
Current provisions for employee benefit	-	14,693,122.76	14,693,122.76
Non-current provisions for employee benefit	-	110,056,148.32	110,056,148.32

บริษัทชั้นนำด้านผลิตภัณฑ์พลาสติกในประเทศไทย

The Leading Company for Plastic Products in Thailand

- Statements of cash flows

Baht			
Consolidated financial statements			
For the year ended December 31, 2019			
	As previously reported	Reclassified increase (decrease)	As reclassified
Cash flows from operating activities			
(Increase) decrease in operating assets			
Trade and other current receivables	125,187,361.89	(1,279,813.84)	123,907,548.05
Other current assets	(1,279,813.84)	1,279,813.84	-
Trade and other current payables	(59,171,621.92)	1,451,970.96	(57,719,650.96)
Other current liabilities	1,451,970.96	(1,451,970.96)	-
Baht			
Separated financial statements			
For the year ended December 31, 2019			
	As previously reported	Reclassified increase (decrease)	As reclassified
Cash flows from operating activities			
(Increase) decrease in operating assets			
Trade and other current receivables	84,901,338.90	(1,144,666.80)	83,756,672.10
Other current assets	(1,144,666.80)	1,144,666.80	-
Trade and other current payables	(55,042,822.36)	1,421,050.76	(53,621,771.60)
Other current liabilities	1,421,050.76	(1,421,050.76)	-

34. SIGNIFICANT EVENT IN THE REPORTING PERIOD

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

35. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 25, 2021.

